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BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1964

U. S. DEPT. OF AGRICULTURE
NATIONAL ARCHIVES
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CURRENT SERIAL RECORDS



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT
1964

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FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1964

**A Separate from the Budget of the United States Government
1964**



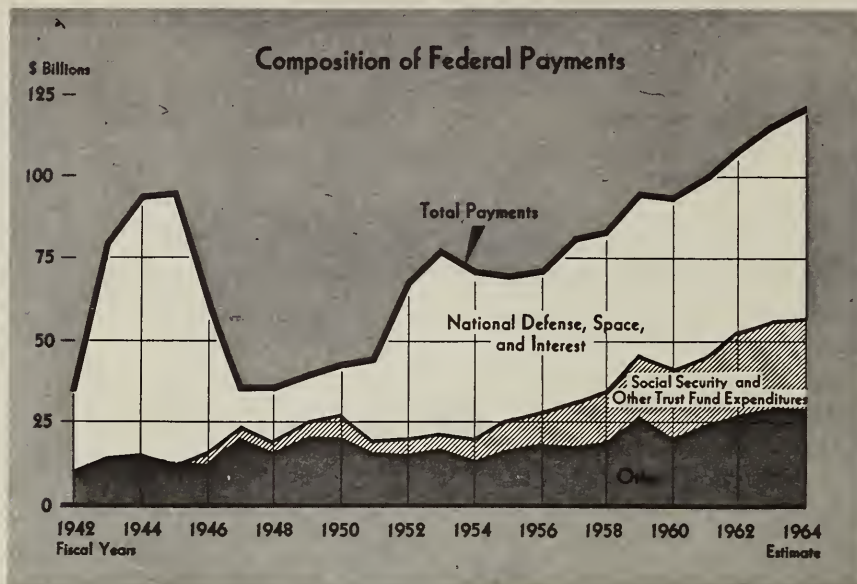
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PART 1

THE BUDGET MESSAGE
OF THE
PRESIDENT



BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

With this message I present the budget of the United States for the fiscal year ending June 30, 1964.

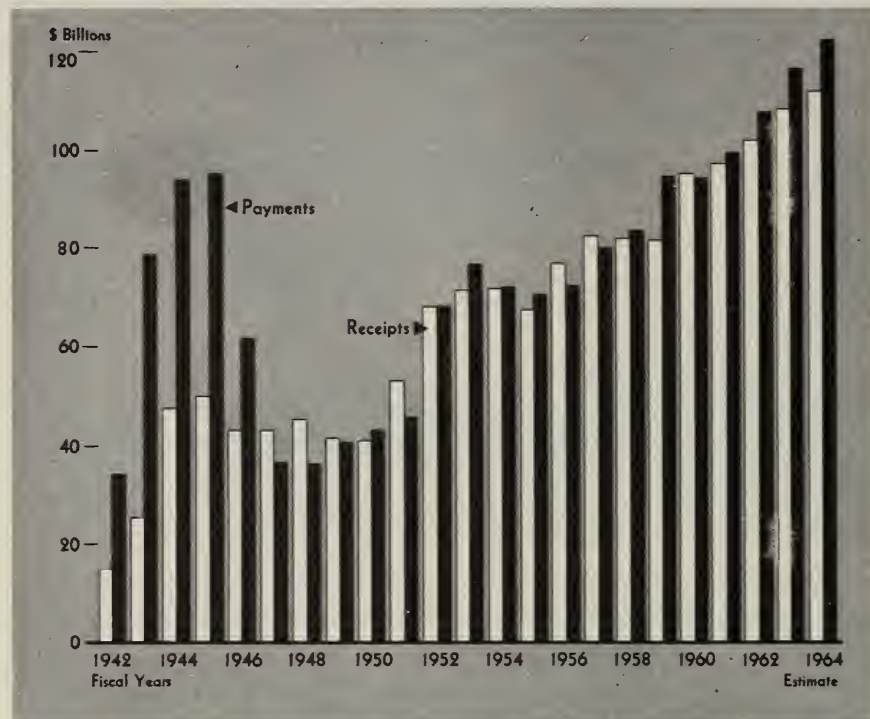
The Federal budget has a double importance: It is an agenda of our purposes and priorities in the form of a plan for the conduct and financing of the public business. It is also the most powerful single tool the Nation possesses for linking the private and public sectors of our economy in a common effort to achieve and maintain national prosperity. This budget presents a financial plan for the efficient and frugal conduct of the public business, and it proposes measures to set the United States firmly on the road to maximum production, employment, and purchasing power.

This budget is presented in a national economic climate which is greatly improved over that of two years ago, but which is capable of substantial further improvement. In the last two years, our total real output of goods and services has increased by 9%; total wage payments have risen by 10%; corporate profits have gone up by 18%; and well over a million additional nonfarm jobs have been created. At the same time, the price level of the United States has been one of the most stable in the world, and we have substantially reduced the deficit in our balance of payments.

Nevertheless, we cannot rest on this record. The performance of the economy in 1962 fell below our expectations. The gap between economic performance and potential which opened up in 1957 has not yet been closed. Unutilized productive capacity remains too large, and unemployment remains too high. Our rate of economic growth lags behind our capability. We must not allow the progress of the last 2 years to blunt the recognition that our economy can produce both more jobs and greater abundance than it is now doing.

Our economy has been falling short of its productive potential for more than 5 years because total demand for goods and services by consumers and business firms has been insufficient to keep the economy operating at capacity. Yet, in the face of this persistent inadequacy of overall demand, the purchases of consumers and business firms have

Federal Receipts and Payments



been restrained by tax and other collections—Federal, State, and local—which now total over \$150 billion a year.

The checkrein of taxes on private spending and productive incentives must be loosened if our economy is to perform at maximum efficiency. To that end—as I pledged last year—the 1964 budget incorporates a major program of tax reduction and reform, designed to help speed the economy toward full employment and a higher rate of growth with price stability.

Although, with the passage of time, the economic expansion induced by reduction in tax rates may be expected to yield a higher level of Government revenues than the present tax system affords, the initial effect of the proposed tax program will be a revenue loss. In this setting, I have felt obliged to limit severely my 1964 expenditure proposals. In national defense and space programs—where false economy would seriously jeopardize our national interest or even our national survival—I have proposed expenditure increases. Fixed interest charges on the debt will also rise. But total 1964 expenditures for all other programs in the administrative budget, taken together, have been held to this year's level, and even reduced somewhat. Within this total, increases have been confined to those areas most important

SUMMARY OF FEDERAL RECEIPTS AND PAYMENTS

[Fiscal years. In billions]

Description	1962 actual	1963 estimate	1964 estimate
FEDERAL RECEIPTS			
Administrative budget receipts.....	\$81.4	\$85.5	\$86.9
Trust fund receipts.....	24.3	26.9	29.5
Deduct: Intragovernmental transactions.....	3.8	3.9	4.2
Total cash receipts from the public.....	101.9	108.4	112.2
Add: Adjustment from cash to accrual basis.....	2.5	1.4	-0.1
Deduct: Receipts from loans, property sales, and other adjustments.....	0.4	1.0	0.7
National income account receipts—Federal sector.....	104.0	108.8	111.4
FEDERAL PAYMENTS			
Administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures (including Government-sponsored enterprises).....	25.2	27.3	28.4
Deduct: Intragovernmental transactions and other adjustments.....	5.3	4.8	4.7
Total cash payments to the public.....	107.7	116.8	122.5
Add: Adjustment from cash to accrual basis.....	0.9	0.3	-0.1
Deduct: Disbursements for loans, land purchases, and other adjustments.....	2.9	3.9	3.4
National income account expenditures—Federal sector....	105.7	113.2	119.0
EXCESS OF RECEIPTS (+) OR PAYMENTS (-)			
Administrative budget.....	-6.4	-8.8	-11.9
Receipts from and payments to the public.....	-5.8	-8.3	-10.3
National income accounts—Federal sector.....	-1.7	-4.3	-7.6

Note.—Receipts, including those on a national income account basis, reflect retroactively to January 1, 1962, revenue losses occasioned by both the Revenue Act of 1962 and the 1962 administrative depreciation reform. To this extent, receipts shown for fiscal 1962 differ from those published to date by the Department of Commerce in the national income accounts.

to the Nation's current welfare and future growth, and these will be offset—indeed, slightly more than offset—by the reductions I am recommending in expenditures under other programs.

In presenting this budget as the Government's financial plan for 1964, I am giving major emphasis to a consolidated cash presentation, covering not only the administrative budget but also other Federal activities—mainly the social security, highway, and other trust funds.

This provides a much more complete picture of governmental activities and finances than the administrative budget. It is in accord with recommendations made by nongovernmental groups and independent scholars that a more meaningful and comprehensive budgetary concept be used.

On this basis, after taking into account the revenue loss associated with my tax recommendations, total receipts from the public in fiscal year 1964 are estimated at \$112.2 billion, total payments to the public at \$122.5 billion, with a resulting excess of payments of \$10.3 billion.

This step toward consideration of the Government's program and budget in more complete form than heretofore entails no change in the legal status of the trust funds; the assets of these funds will be held inviolate as always. Moreover, the administrative budget, which has received the most attention in the past, continues to be identified. Using this older concept, which covers only Government-owned funds and thus excludes trust fund transactions, the outlook is for receipts of \$86.9 billion in 1964, expenditures of \$98.8 billion, and an excess of expenditures totaling \$11.9 billion.

A third concept of Federal finances, which is used in our national income accounts, provides an important measure of the economic impact of the Government's fiscal activities; Federal fiscal data in these terms are estimated on an accrual rather than a cash basis, including the trust funds but eliminating transactions not directly affecting production and income. These data indicate an excess of expenditures over receipts of \$7.6 billion in fiscal year 1964.

Whichever measure is used, the immediate effect of my proposed tax program will be to increase the deficit which would otherwise be incurred in the coming fiscal year. In accepting this prospect, I have considered both the lessons of the recent past and the outlook for the future.

The sluggish rate of economic growth in recent years has not produced the revenues required to obtain budget surpluses under our present tax system. During the past 5 fiscal years, on an administrative budget basis, the Government's cumulative deficits totaled \$24.3 billion, in marked contrast with the original budget estimates of cumulative surpluses totaling \$8.0 billion. The major reason for the shortfall was the continued failure of the economy to reach the levels which had been assumed as reasonable. It is now clear that the restraining effects of the tax system on the economy were not adequately recognized.

This issue must be faced squarely. Our present choice is not between a tax cut and a balanced budget. The choice, rather, is between chronic deficits arising out of a slow rate of economic growth, and

temporary deficits stemming from a tax program designed to promote fuller use of our resources and more rapid economic growth. Considerations of sound fiscal policy as well as concern for the Nation's economic well-being have led me to the conviction that the latter choice is the only sensible one. Unless we release the tax brake which is holding back our economy, it is likely to continue to operate below its potential, Federal receipts are likely to remain disappointingly low, and budget deficits are likely to persist. Adoption of the tax program I am proposing will strengthen our Nation's economic vitality, and by so doing, will provide the basis for sharply increased budget revenues in future years.

Nevertheless, the prospect of expanding economic activity and rising Federal revenues in the years ahead does not mean that Federal outlays should rise in proportion to such revenue increases. As the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the revenue increases must go toward eliminating the transitional deficit. Although it will be necessary to increase certain expenditures, we shall continue, and indeed intensify, our effort to include in our fiscal program only those expenditures which meet strict criteria of fulfilling important national needs. Federal outlays must be incurred only where the resulting benefits to the security and well-being of the American people are clearly worth the costs.

Furthermore, we shall maintain pressure on each department and agency to improve its productivity and efficiency. Through improved management techniques, installation of modern equipment, and better coordination of agency programs, important productivity gains have already been realized, and further advances will be forthcoming. I mean to insure that in each of the various Federal programs, objectives are achieved at the lowest possible cost.

The Federal deficit which will be incurred in fiscal year 1964 should neither raise fears of inflation nor cause increased concern about our balance of international payments. With the tools of monetary policy and debt management always available, our program for sustained economic expansion with increasing productivity is an objective quite compatible with continuance of the relative price stability we have known in recent years; this is of importance not only at home but also for our foreign trade. Moreover, the favorable effects of a strong economic expansion on the profitability of domestic investment and on the productivity of American industry, in combination with all of our efforts to achieve balance of payments equilibrium, will contribute to the strength of the dollar—as our friends abroad increasingly recognize.

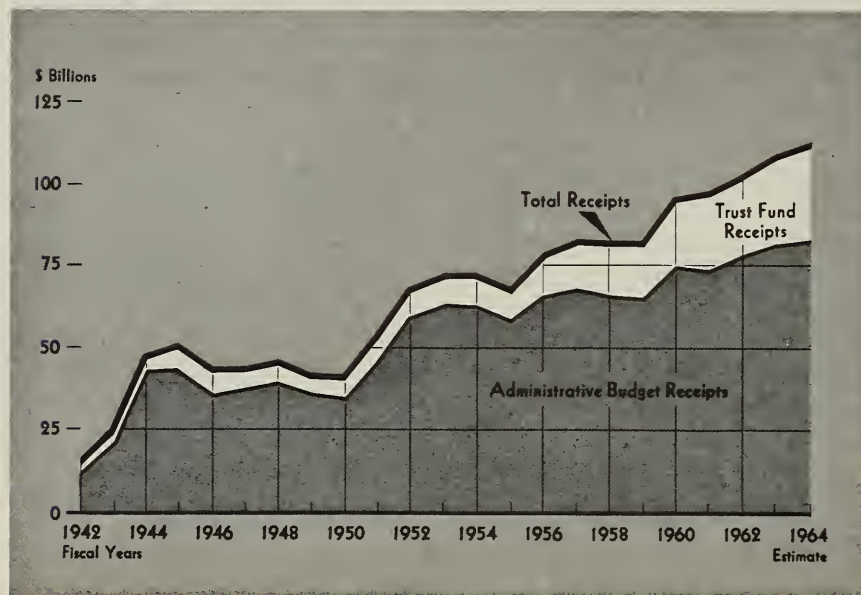
TAX RECOMMENDATIONS AND RECEIPTS

My tax proposals include substantial permanent reductions in individual and corporation income tax rates as well as a number of important structural changes designed to encourage economic growth, increase the equity of our tax system, and simplify our tax laws and administration. Some reductions in rates would start in the calendar year 1963. The remainder of the program, including additional income tax rate reductions for both individuals and corporations, together with structural reforms and other revisions, would become effective in 1964 and 1965. The entire tax program, which I will shortly recommend to the Congress as a single comprehensive measure, is a major step in the effort to strengthen and improve our tax system.

The recommended tax rate reductions extend over every bracket of individual income tax rates. The largest proportionate tax reductions, measured as a percentage of tax liability and in relation to the total revenue loss to the Government, are proposed for those with the lowest incomes. The recommendations also provide for more equitable tax treatment through changes affecting the tax base and remove certain tax concessions that will no longer be appropriate. In every respect, the proposals are consistent with generally accepted American standards of fair play, while at the same time they are designed to provide needed economic incentives.

The proposed corporation income tax reductions are supplemented by recommended structural changes to strengthen the position of small

Federal Receipts



Note.—Budget receipts are shown net of intragovernmental adjustments made to derive the total of Federal receipts.

business and to correct distortions in the existing structure which result in the misallocation of energy and resources. Part of the loss in Treasury tax collections attributable to rate reductions would be offset by the introduction of a gradual program to place payment of income tax liabilities of large corporations on a more current basis.

The proposed tax program, when fully effective, would reduce tax liabilities by about \$10 billion compared to the present tax system, when both calculations are based on the same calendar year 1963 levels of income. Incomes, however, will not be the same under the new tax program. Because my proposals incorporate lower rates of taxation as well as tax reform measures, they will stimulate economic activity and so raise the levels of personal and corporate income as to yield within a few years an increased—not a reduced—flow of revenues to the Federal Government.

Revenue estimates.—Estimates of Federal receipts must be based upon specific economic assumptions. The revenue estimates in this budget assume a gross national product in the calendar year 1963 of \$578 billion. This figure is the midpoint of a range of expectation

RECEIPTS FROM THE PUBLIC

[Fiscal years. In billions]

Source	1962 actual	1963 estimate	1964 estimate
Administrative budget receipts:			
Individual income taxes.....	\$45.6	\$47.3	\$45.8
Corporation income taxes.....	20.5	21.2	23.8
Excise taxes.....	9.6	9.9	10.4
Other.....	5.7	7.1	6.9
Total, administrative budget receipts.....	81.4	85.5	86.9
Trust fund receipts:			
Employment taxes.....	12.6	14.8	16.6
Deposits by States, unemployment insurance.....	2.7	2.8	2.8
Excise taxes.....	2.9	3.2	3.3
Federal employee and agency payments for retirement.....	1.8	1.8	1.9
Interest on trust investments.....	1.4	1.5	1.6
Veterans life insurance premiums.....	0.5	0.5	0.5
Other.....	2.4	2.3	2.9
Total, trust fund receipts.....	24.3	26.9	29.5
Intragovernmental transactions (deduct).....	3.8	3.9	4.2
Total receipts from the public.....	101.9	108.4	112.2

which extends \$5 billion on each side. The anticipated rise in the gross national product from the calendar 1962 level of \$554 billion takes into account some initial economic stimulus expected from adoption of my tax recommendations.

That part of the proposed reductions in tax rates becoming effective in calendar 1963 would, by itself, reduce fiscal 1964 tax revenues by some \$5.3 billion. Placing the payment of corporate income taxes on a more current basis, however, will reduce this revenue loss, as will the initial spur provided by the tax program to private production and incomes. Taking account of these factors, the net revenue loss in fiscal 1964 from my tax program is estimated at \$2.7 billion. Despite this revenue loss, administrative budget receipts are estimated to rise by \$1.4 billion in fiscal year 1964 because of the anticipated expansion in economic activity.

As we learned again this past year, there are many uncertainties in estimating economic developments and Federal revenues so far ahead. If the economy grows more strongly and quickly than we now foresee, revenues would be higher than now estimated. On the other hand—although I consider this unlikely if my proposals are approved promptly by the Congress—slower growth in the economy would be accompanied by smaller revenues. This would indeed be unfortunate, both because of the effect on Government finances, and because of the lost opportunities and the human misfortune that would accompany a sluggish economy and growing unemployment.

Tax extension.—Legislation is needed to extend certain excise tax rates for another year. Without such legislation, these tax rates would be reduced or would expire on July 1, 1963, resulting in a revenue loss in fiscal year 1964 of \$1.6 billion.

Under present law, the maximum corporation income tax rate would be reduced from 52% to 47% on July 1, 1963. My legislative proposals include an extension of the 52% maximum rate for six months, but provide, in accordance with my tax program, for certain changes in the tax treatment of corporations which will also be applicable to that period.

User charges.—I am renewing the recommendations I made last year for the enactment of a series of user charges for commercial and general aviation and for transportation on inland waterways. The purpose of the recommendations is to assure that passengers and shippers who benefit from special Government programs will bear a more equitable share of the costs of these programs. Appropriate fees should also be assessed in other areas in which the Government provides special benefits or conveys special privileges to the users and

beneficiaries. Where new legislation is needed to carry out this policy—such as to update the schedule of fees for issuing patents, established in 1932—the necessary proposals will be sent to the Congress.

GOVERNMENT PROGRAMS AND EXPENDITURES

The expenditure program which I am proposing in this budget is, I believe, the minimum necessary to meet the essential needs of our complex and growing society in an era of cold war.

All levels of Government have been subject to sharp pressures for increased expenditures during the postwar period as our population has grown, as wages and prices have risen, and as demands for improved governmental services have expanded. Since 1948, State and local government expenditures have more than trebled and Federal expenditures for nondefense purposes, including a rapidly expanding level of grants-in-aid to State and local governments, have more than doubled. The Federal Government has also borne a sharply increased burden in the areas of national defense, international affairs, and space.

In this budget for 1964, most of the increase in expenditures over the current year is also for national security and space programs, carrying forward efforts already begun to strengthen our defenses and to participate more actively in man's attempt to explore outer space. Expenditures for fixed interest charges and for activities financed through trust funds will also increase, chiefly reflecting continued expansions in the self-financed social security and highway programs.

The total of administrative budget expenditures for all other programs, combined, has been held slightly below the 1963 level, despite the fact that we face such rising costs as the second step of the civilian employee pay reform enacted last year and various increases under program commitments already made, such as urban renewal and public assistance grants.

Other moderate expenditure increases being proposed within the reduced total represent a necessary payment on future progress and should not be postponed. They include new programs and increases in present programs for education and health, which are investments in our human resources; retraining for those whose present skills are no longer in strong demand; enlargement of employment opportunities for young people who have left school; redevelopment of depressed areas, including the program enacted last year for accelerating public works in these areas; improvement of urban areas through better transportation and more adequate housing, especially for moderate-income families; and encouragement of science and technology important to our civilian industries.

These increases are offset by decreases in other administrative budget expenditures. For example, lower expenditures are esti-

mated for the postal service, as a result of a full year's return on the rate increases enacted last year; for certain housing, international, and other lending programs, through substitution of private for public credit; and for agricultural price supports.

PAYMENTS TO THE PUBLIC

[Fiscal years. In billions]

Function	1962 actual	1963 estimate	1964 estimate
Administrative budget expenditures:			
National defense.....	\$51.1	\$53.0	\$55.4
Space research and technology.....	1.3	2.4	4.2
Interest.....	9.2	9.8	10.1
Subtotal.....	61.6	65.2	69.7
All other functions:			
International affairs and finance.....	2.8	2.9	2.7
Agriculture and agricultural resources.....	5.9	6.7	5.7
Natural resources.....	2.1	2.4	2.5
Commerce and transportation.....	2.8	3.3	3.4
Housing and community development.....	0.3	0.5	0.3
Health, labor, and welfare.....	4.5	4.9	5.6
Education.....	1.1	1.4	1.5
Veterans benefits and services.....	5.4	5.5	5.5
General government.....	1.9	2.0	2.2
Subtotal, all other functions.....	26.9	29.7	29.4
Allowances:			
Comparability pay adjustment.....			0.2
Contingencies.....		0.1	0.2
Interfund transactions (deduct).....	0.6	0.6	0.7
Total, administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures:			
Health, labor, and welfare.....	20.4	21.8	22.8
Commerce and transportation.....	2.7	2.9	3.2
Housing and community development.....	1.5	0.5	1.0
Veterans benefits and services.....	0.7	0.9	0.6
All other.....	0.4	1.7	1.2
Interfund transactions (deduct).....	0.5	0.5	0.5
Total, trust fund expenditures.....	25.2	27.3	28.4
Intragovernmental transactions and other adjustments (deduct).....	5.3	4.8	4.7
Total payments to the public.....	107.7	116.8	122.5

National defense.—There is no discount price on defense. The free world must be prepared at all times to face the perils of global nuclear war, limited conventional conflict, and covert guerrilla activities.

The 1964 budget carries forward this administration's policies to develop and strengthen the flexible and balanced forces needed to guard against each of these hazards, and to equip and operate these forces at the lowest possible cost. For the coming year, total expenditures for national defense are estimated at \$56.0 billion, of which \$55.4 billion are administrative budget expenditures. This is about \$10 billion more than the level of expenditures in 1960 and, together with the growth in the space program, accounts for the major part of the increase in the budget since this administration took office.

The 1964 budget proposals for national defense continue the emphasis which in recent years we have placed on:

- A strong strategic retaliatory force capable of surviving a surprise attack and responding effectively in a controlled and flexible manner against the aggressor. Additional numbers of land-based Minuteman missiles will be procured and placed in hardened and dispersed sites. Six more Polaris submarines will be procured, and further work done on improved versions of the Minuteman and Polaris missiles.
- Improved air and missile defense forces. Our antibomber defense system and our ballistic missile warning systems will be strengthened. High levels of effort will continue on developing a defense against missiles, including further testing of the Nike-Zeus anti-missile missile and initial development of the more advanced Nike-X surface-to-air missile.
- More powerful and flexible conventional forces—ground, sea, and air—to increase the range of nonnuclear response to aggression. Procurement of conventional weapons, equipment, ammunition, helicopters, and Air Force tactical fighter and reconnaissance aircraft for more effective support of ground units will be speeded. Provision is made for 16 combat-ready Army divisions, 3 divisions and air wings in the Marine Corps, further modernization of the naval fleet, and an additional 15,000 men for the Army to test the concept of an air assault division and other new air units.
- A civil defense fallout shelter program to improve the chances that a large portion of our population would survive a possible nuclear attack.
- Strengthened counter-insurgency forces to help our allies deal with Communist subversion and covert armed aggression within their frontiers.

In this era of increasingly complex weapons and military systems, a large part of the effectiveness of our defense establishment depends on the retention of well-trained and devoted personnel in the Armed Forces. General military pay was last increased 4½ years ago. Since then, higher wages and salaries in private industry have provided strong inducement for highly trained military personnel to leave the service for better paying jobs in civilian life. To help meet this serious problem, and in fairness to the dedicated personnel in our Armed Forces, I will shortly submit to the Congress specific recommendations for increases in military compensation rates effective October 1, 1963.

Space research and technology.—The accelerated programs for exploration and use of outer space moved ahead vigorously during the past year, and further significant advances are anticipated in the year ahead. This budget provides for an increase of \$2 billion in appropriations for the National Aeronautics and Space Administration to proceed with the top priority manned lunar landing program and with its wide range of programs of scientific investigation and development of useful applications such as communications and meteorological satellites. Expenditures in 1964 are estimated to rise to \$4.2 billion, which is \$1.8 billion over the current year's level—an increase of 75%.

Efforts are being concentrated on the continued development of the complex Apollo spacecraft and the large Advanced Saturn launch vehicle needed to boost the Apollo to the moon. A lunar orbit rendezvous approach will be used to accomplish during this decade the first manned lunar landing. Under this technique the Apollo spacecraft will be boosted directly into orbit around the moon, where a small manned lunar excursion module will be detached and descend to the surface of the moon. It will later return to the orbiting Apollo which will return to the earth.

The recent Mariner flight past Venus attests to the progress we are making in unmanned space investigations. Development of geophysical, astronomical, meteorological, and communications satellites will also continue. This budget provides for strong research efforts aimed at developing the technology needed for advanced space missions, including future manned space flight and unmanned explorations of Venus and Mars.

International affairs and finance.—We are steadfast in our determination to promote the security of the free world, not only through our commitment to join in the defense of freedom, but

also through our pledge to contribute to the economic and social development of less privileged, independent peoples. The attack on India by Communist China, and Vietnam's continuing struggle against massive armed subversion supported from without, are current reminders of the need and importance of our assistance. The increasing pace of modernization and the mounting efforts at reform and self-help in many nations merit our support and encouragement.

I am convinced that the budgetary amounts proposed are essential to meet our commitments and achieve our purposes. The basic objective of these international military and economic expenditures is to serve the security interests of the United States. Because these programs are often addressed to complex problems in distant lands, their contribution to our security objectives is not always directly apparent, but it is nonetheless vital. And because the problems we encounter are grave and complex, they present us with a constant challenge to improve content, administrative efficiency, and overall effectiveness.

Fundamental to our efforts is recognition that we are dealing with a combination of military, political, and economic measures which must be complementary and reinforcing. Our overseas military assistance program is vital to assure the continued survival of independent states so situated that they are prime targets for open aggression or subversion. While direct military assistance greatly enhances the ability of these less developed countries to defend themselves and thus contributes to the peace and security of the free world, their contribution depends ultimately upon the strength of their economic and social structures. The economic and social development process is long and arduous, primarily dependent upon the efforts of the less developed nations themselves. We must assist and accelerate this process by providing critical increments of material and human resources which, along with measures of self-help and reform, will ultimately spell success for these efforts.

Expenditures in fiscal year 1964 for military and economic assistance, combined, are estimated at \$3,750 million, \$100 million less than in the current year. In providing these sums, we will be highly selective, stressing projects and programs crucial to the rapid development of countries which are important to the maintenance of free world security and which demonstrate willingness and ability to marshal their own resources effectively.

Of special concern are the Latin American Republics, with whom we have joined in the Alliance for Progress. As our neighbors to

the south undertake far-reaching economic and social reforms, we are pledged to provide a critical margin of resources necessary for the achievement of our common goals. In the fiscal year 1964 I am recommending a program which will provide a total of over \$1 billion for these countries through the Agency for International Development, the Inter-American Development Bank, the Export-Import Bank, and the Food for Peace program. We shall also be according priority in this area to the highly successful program of the Peace Corps.

We are not alone in seeing the relationship between free world security and rapid economic and social development. Other free world countries, particularly the European countries and Japan, are increasing their overseas programs, and we will continue to encourage these nations to increase them further in both size and scope. Similarly, we must support and encourage development programs carried out under international auspices. Negotiations are now underway for replenishing and enlarging the resources of the International Development Association. After these negotiations are completed, I expect to ask the Congress to authorize U.S. agreement, thereby enabling the operations of this important international organization to be continued and expanded. I also expect to request an authorization for the United States to join in providing additional resources for the Inter-American Development Bank.

The authority of the Export-Import Bank to exercise its functions expires on June 30, 1963. I shall shortly propose legislation to extend the life of the Bank for five years and to increase its resources by \$2 billion, so that its significant contribution to the expansion of our foreign trade can continue. Without a further increase in the Bank's resources, the legislation will also increase by \$1 billion the Bank's authorization for the highly successful programs of guarantees and insurance of exporter credits.

Agriculture and agricultural resources.—To realize for the Nation as a whole the benefits of our increasingly efficient agriculture, farm production must be brought into line with domestic and export requirements, the incomes of persons engaged in farming must be maintained and increased, and constructive use must be made of the current agricultural abundance to raise the level of living of the Nation's low-income families and meet international needs through the Food for Peace program. As part of this effort, we must use the opportunities opened up by the Trade Expansion Act of 1962 to expand foreign markets for our farm products.

The temporary wheat and feed grain programs, as modified by legislation enacted in the last session of Congress, are continuing to supplement farm income and to reduce storage costs by achieving reductions of our excess stocks of these grains. However, new programs are needed for cotton and dairy products as well as for feed grains to enable us to utilize more effectively the benefits of increasing productive efficiency in agriculture and to reduce budgetary expenditures for farm programs. I shall be presenting to the Congress specific legislative proposals relating to these farm commodities.

Legislation is recommended to continue the food stamp program and funds are included to operate the program in 1964 at the same level as in 1963. In addition, the 1964 budget provides for a start on the broad land-use adjustment program and the enlarged loan program of the Farmers Home Administration authorized in the Food and Agriculture Act of 1962. These programs, along with some shifts in emphasis in existing programs of the Department of Agriculture, are an essential part of our rural areas development program—a significant undertaking to cope with problems of unemployment, underemployment, and poverty in rural areas.

Federal payments in 1964 for all agricultural programs are estimated at \$5.8 billion, a reduction of \$1.1 billion from the 1963 level. This reduction results largely from anticipated substantial sales by the Commodity Credit Corporation in 1964 of cotton expected to be placed under price support in 1963. In addition, legislation is being proposed to increase the role of private financing in the rural housing program.

Natural resources.—Orderly conservation and development of our natural resources are required to meet our future needs and to promote long-run economic growth. Expenditures of \$2.6 billion are estimated in 1964 for these purposes.

The budget provides for continued water resources development through projects for flood control, navigation, irrigation, water supply, hydroelectric power, and related recreational and wildlife development. Funds are included for the Corps of Engineers, the Bureau of Reclamation, the Bureau of Indian Affairs, and the Tennessee Valley Authority to initiate construction on 43 new water resources projects with an estimated total Federal cost to completion of \$792 million.

Major emphasis is being given within the Federal Government to coordinated planning of river-basin development and research on water resources. In addition, legislation is again recommended to provide for comprehensive and coordinated water resources planning

by Federal and State agencies and to authorize limited Federal grants to strengthen State planning.

I am requesting funds to start construction of major extra-high-voltage interconnections linking the electric systems of the Pacific Northwest and Pacific Southwest. The interconnections will provide for the sale and exchange of power between California and the Northwest, resulting in substantial economies to both regions. Prompt action is expected on legislation proposed last year to reserve necessary power supplies for the Pacific Northwest.

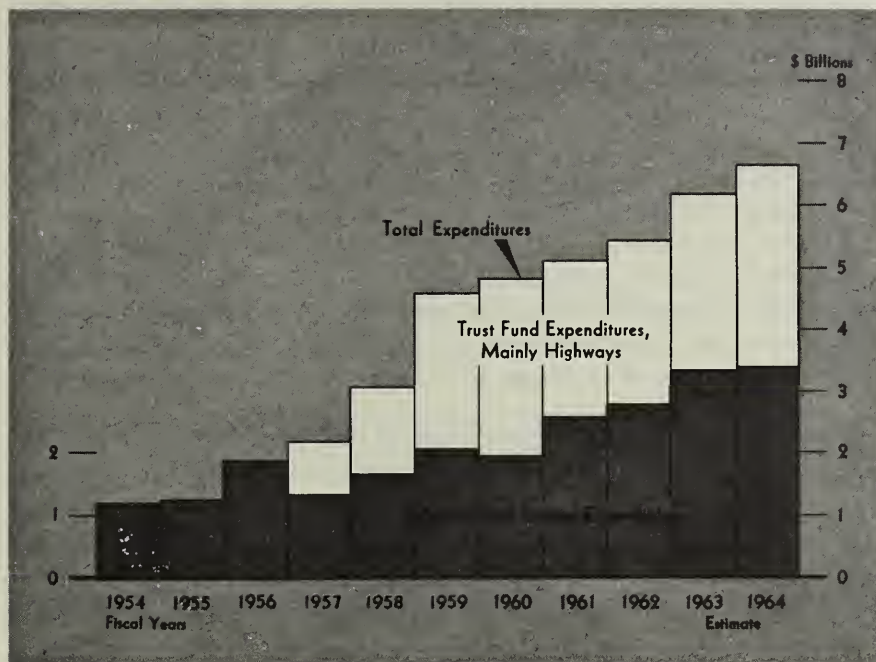
The provision of adequate outdoor recreational opportunities for our growing population continues to be a pressing problem. Legislation will shortly be transmitted to the Congress to assist the States in the solution of this problem and to provide for Federal acquisition of certain lands to be devoted to recreational and conservation uses.

Commerce and transportation.—I am gratified that the Congress enacted higher postal rates last year, permitting a reduction in net expenditures for the postal service in 1964. Expenditures for maritime operating subsidies are also estimated to be less in 1964 than in 1963. Despite these decreases, total Federal payments for commerce and transportation programs are expected to increase by \$444 million to \$6.7 billion in 1964. An estimated increase in grants to States for highway construction through the self-financed highway trust fund amounts to almost nine-tenths of the total rise; the remainder covers such recently enacted programs as area redevelopment, trade promotion, and acceleration of capital improvements in areas of substantial unemployment, as well as as such older activities as small business loans and weather services.

To achieve a higher long-run rate of economic growth, and to take full advantage of the Trade Expansion Act of 1962 by competing successfully in the great markets of Europe and the developing nations of Africa and Asia, it is essential that we retain our current position of technological leadership in many industries. Accordingly, the Secretary of Commerce is undertaking a new program with the specific aim of stimulating through industrial research and development innovation in our civilian industrial technology. As an immediate step to help improve our balance of payments, I am recommending a substantial increase in the export expansion program.

Studies are progressing on the economic and technical feasibility of developing a supersonic air transport. I have directed that these studies be expedited and the results evaluated as soon as practicable.

Commerce and Transportation



The national transportation policy which I proposed last year is based upon greater reliance on competitive free enterprise, with less Federal regulation and subsidies. Under this approach, the Government would emphasize equal opportunity for all types of transportation. I hope that the new Congress will act promptly along the lines recommended previously to authorize the basic changes needed in existing law.

Housing and community development.—The development and rehabilitation of urban areas and the provision of adequate housing for all our citizens stand high among the Nation's objectives. To this end the new and broader housing and community development programs authorized in the Housing Act of 1961 will be carried forward at an accelerated pace in 1964. Commitments made in earlier years will result in increased expenditures for urban renewal grants and for mortgage purchases and loans to help provide adequate housing for low and moderate income families as well as for elderly persons. Several possible methods for improving the provision of housing for low-income groups are currently being tested. Moreover, Federal loans are being made to improve public facilities in smaller communities and in areas of substantial unemployment.

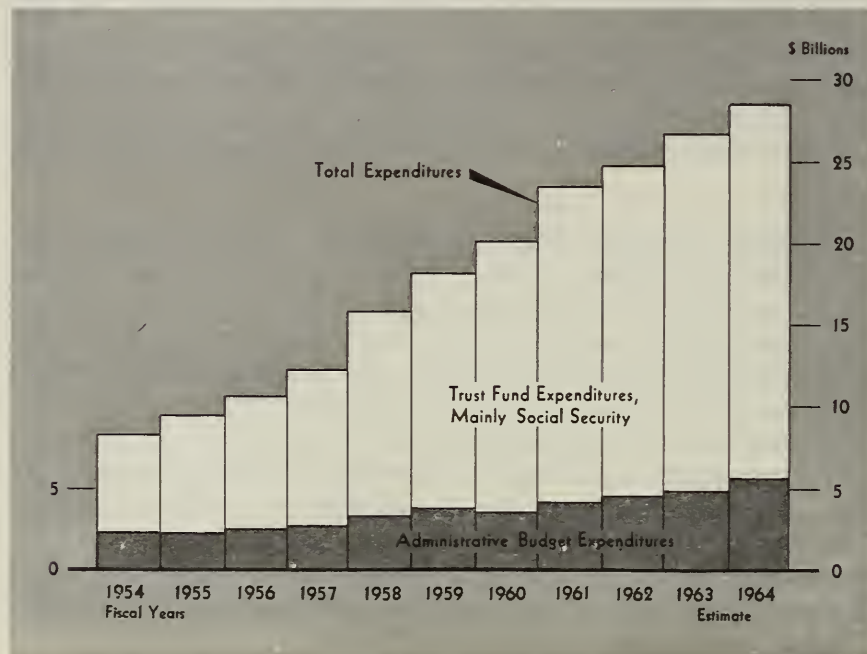
I urge the Congress to enact promptly legislation, along the lines I proposed last year, to provide Federal aid to help urban areas solve their mass transportation problems.

The Federal Government is not properly organized at present to deal efficiently and effectively with the pressing problems of urban areas. I again recommend strongly that the Congress establish a Department of Urban Affairs and Housing to give urgently needed leadership in the solution of these problems.

Federal expenditures for housing and community development will rise from the current year's level of \$874 million to \$1.1 billion in fiscal year 1964. The substantial progress which will be made in this area will be financed in part through the substitution of private for public credit in a number of mortgage insurance and purchase programs.

Health, labor, and welfare.—One of our most important national purposes must continue to be the strengthening of human resources. A strong defense and a revitalized economy require a trained and productive labor force, relentless warfare on illness and disease, and continued progress in extending economic security to those in our society who lack the means to provide adequately for their own basic needs.

Health, Labor, and Welfare



Under existing health programs, the budget provides for strengthening the National Institutes of Health and the Food and Drug Administration, for improving community and environmental health protection, and for combating mental illness and mental retardation. In addition, new legislation is proposed: to expand further the fight against mental illness and mental retardation; to broaden the scope and enlarge the authorization provided for construction of medical facilities in the Hill-Burton Act; and to authorize a new program to assist in the construction of medical schools.

I am also again proposing health insurance for aged persons, to be financed mainly through the social security system, but with benefits for those not covered by social security to be paid from regular appropriations.

To strengthen further the Government's labor and manpower activities, the budget includes funds to improve the Federal-State employment service, and I am again recommending legislation to revise the Federal-State unemployment insurance program so that the needs of the unemployed will be more fully met in both good and bad times. Under the Manpower Development and Training Act of 1962, funds are included to provide training services to 140,000 unemployed workers in the coming fiscal year, and legislation is proposed to provide urgently needed opportunities for training and employment to the youth of our Nation.

Legislation is recommended to create a National Service Corps to help by example to strengthen the volunteer spirit in the provision of social services in our local communities.

Federal payments for health, labor, and welfare programs in 1964 are estimated to rise by \$1.6 billion to \$27.4 billion, of which over 80% will be paid from trust funds.

Education.—A strong educational system is necessary for the maintenance of a free society and a growing economy. Inadequacies in our educational system present serious obstacles to the achievement of important national objectives and prevent able individuals from obtaining the high quality training to which they should have ready access.

In these circumstances Federal action becomes imperative, but the Federal Government can provide only a small part of the funds in an area where outlays from all sources approximate \$30 billion annually. Accordingly, I am recommending a program carefully designed to provide a major impetus to the solution of a selected number of critical educational problems.

This program, which will be outlined more fully in a special message, proposes significant new activities and greater utilization of the

existing authority of the Office of Education. It also proposes greater use of the authority of the National Science Foundation to support science and engineering education. It is designed, first, to obtain improved quality in all levels and types of education; second, to help break crucial bottlenecks in the capacity of our educational system by providing funds for building expansion; and third, to increase opportunities for individuals to obtain education and training by broadening and facilitating access to colleges and universities and by providing an expanded range of technical, vocational, and professional training opportunities for teachers and students.

A recommended substantial augmentation of basic research by the National Science Foundation—necessary to progress in science and technology—will also contribute materially to graduate education.

This budget provides new obligational authority of \$3 billion for education programs in fiscal year 1964, of which \$1.5 billion is under proposed legislation. Expenditures are estimated to rise by \$165 million to \$1.5 billion.

Veterans benefits and services.—This country has recognized that the Government's primary obligation for veterans benefits is to those who incurred disabilities in the defense of our Nation and to the dependents of those who died as a result of military service. In keeping with this principle, the 87th Congress enacted a new program of vocational rehabilitation for servicemen disabled while in the Armed Forces and a cost-of-living increase in disability compensation rates. I recommend that the Congress enact a similar increase in benefits for the children and dependent parents of veterans who died as a result of military service.

Emphasis in veterans programs should continue to be placed on benefits and care for the service-disabled. This policy recognizes that veterans are increasingly benefited by the rapidly expanding general health, education, and welfare programs of the Government. Excluding these general benefits, total Federal payments for veterans programs in 1964 are estimated at \$6 billion.

EXPENDITURES OF AN INVESTMENT NATURE

Success in achieving a higher rate of economic growth in the future depends, in large part, on our willingness to devote current resources to enlarging the Nation's capacity to produce goods and services in future years. About one-seventh of the expenditures proposed for

1964 are for activities which will promote increased productivity and economic growth, yielding substantial benefits in the future.

For example, the fiscal year 1964 program includes \$10.8 billion of budget and trust fund expenditures for Federal civil public works; for highways, hospitals, and other additions to State, local, and private assets; for loans for such activities as rural electrification, education, and small business operations; and for other additions to Federal assets.

The Federal Government will also contribute directly and indirectly to economic growth through its support of more than two-thirds of all the scientific research and development undertaken in the Nation. Expenditures for research and development other than for national defense and space are expected to rise to \$1.6 billion in fiscal year 1964. Moreover, the additional \$8.8 billion devoted to defense research and development, including atomic energy, and the \$3.6 billion devoted to space research and development, will produce many collateral benefits to the civilian sector of the economy as well.

Furthermore, during fiscal year 1964 an estimated \$1.6 billion will be spent for nondefense education, training, and health programs, in addition to the amounts for facilities and loans. Apart from the intrinsic merits of these programs, helping to provide individuals with the opportunity to obtain the best medical care available and to maximize the development of their intellectual capacities and occupational skills improves the quality of the labor force. Indeed, growth in the Nation's education and skills has been a major factor in the long-run rise in the Nation's economic productivity.

FEDERAL EXPENDITURES ABROAD

The United States continues to face a deficit in its international payments as we enter the calendar year 1963. As one part of the administration's program to reduce this deficit, the Federal Government, during the past year, has instituted a system of continuing review of all its activities affecting the balance of payments. This process is intended to insure that expenditures abroad for the Federal Government's activities are kept to the minimum consistent with our defense and other responsibilities at home and abroad.

In the preparation of the 1964 budget, all proposed expenditures which affect the balance of payments have received particular attention and review. Special efforts are being made to reduce Federal expenditures overseas without jeopardizing the defense of the free world. Measures already taken to assure maximum expenditure of

foreign economic assistance funds in the United States will continue to reduce the portion of these funds spent abroad. We will continue to press ahead in the effort to encourage other nations, particularly European countries and Japan, to accept a greater share of the costs of economic aid to developing countries and to increase support for military defenses within their own borders.

The Federal Government is also seeking to increase receipts in the United States from foreign countries by obtaining advance repayments of loans previously made to them by this country and by promoting the purchase by foreign governments of military equipment in the United States. Continuing success is expected in these efforts during the coming year.

NEW OBLIGATIONAL AUTHORITY

To carry out the program I am recommending for fiscal year 1964, the Congress is being requested to enact new appropriations and other obligational authority totaling \$96.5 billion. This amount includes substantial increases for the Department of Defense, the National Aeronautics and Space Administration, and the Department of Health, Education, and Welfare, a large part of which will not be spent until later years. A sizable increase is also required for the Commodity Credit Corporation, to make up for losses incurred in past years under the price support and special export programs.

NEW OBLIGATIONAL AUTHORITY

[Fiscal years. In billions]

Description	1962 actual	1963 estimate	1964 estimate
Total authorizations requiring current action by Congress:			
Administrative budget funds.....	\$81.6	\$91.8	\$96.1
Trust funds.....	0.3	0.4	0.4
Total authorizations not requiring current action by Congress:			
Administrative budget funds.....	11.2	11.4	11.8
Trust funds.....	25.6	27.8	30.4
Total new obligational authority:			
Administrative budget funds.....	92.9	103.2	107.9
Trust funds.....	26.0	28.1	30.8

In addition, \$42.2 billion will become available under permanent authorization without action by the Congress this year. Of this amount, \$30.4 billion is for the trust funds, representing primarily the auto-

matic appropriation to these funds of their own revenues. The largest permanent authorization in 1964 in the administrative budget is \$10.0 billion for interest on the public debt.

The Congress is also requested to enact new obligational authority for the current fiscal year, 1963, in addition to the amounts already provided, largely to finance legislation enacted last year for which no appropriations were enacted or for which only partial provision was made—such as employee pay reform, revisions in the grant formula for public assistance, and the program of accelerated public works in depressed areas. These and other supplementary requirements which the Congress is requested to enact, such as \$2.0 billion for the Export-Import Bank, are now estimated to total \$3.9 billion.

PUBLIC DEBT

Under present law, a temporary debt limitation of \$308 billion is now in effect. However, this limit will revert to \$305 billion on April 1, 1963, and to \$300 billion on June 25, 1963. After June 30, 1963, the permanent debt ceiling of \$285 billion again becomes effective.

PUBLIC DEBT AT END OF YEAR

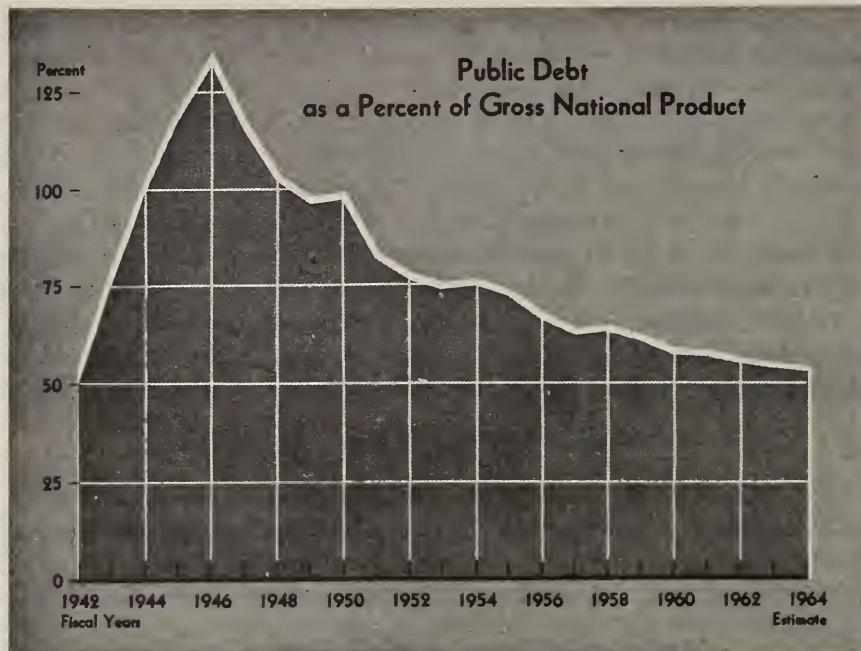
[Fiscal years. In billions]

Description	1961 actual	1962 actual	1963 estimate	1964 estimate
Owned by Federal agencies and trust funds.....	\$55.3	\$55.7	\$56.7	\$59.0
Owned privately and by Federal Reserve banks.....	233.7	242.5	246.8	256.6
Total.....	289.0	298.2	303.5	315.6

Note.—For further details, see table 11 in part 2 of this document.

The present temporary debt limit was enacted last July on the assumption, clearly stated in the report of the House Committee on Ways and Means, that the expansion in the economy and in tax revenues would be sufficient to produce a balanced budget for fiscal year 1963. It is now evident that receipts will not reach the level hoped for at that time. As a consequence, the pending step reductions in the temporary limit on the public debt would render impossible the sound management of Government finances during the April-June quarter of 1963.

Although the total public debt subject to limitation is expected to decline to about \$304 billion after the receipt of tax payments due in June 1963, the pattern of receipts and expenditures will tend to cause



the debt to rise substantially above the \$305 billion level at various times during those 3 months. Moreover, if the debt has to be held below this level, the Treasury would have little or no flexibility for taking advantage of favorable market conditions, or for dealing with any untoward developments in short-term interest rates which might complicate balance of payments problems. I therefore urge prompt extension of the temporary \$308 billion debt limit through the remainder of this fiscal year.

Seasonal variations in revenue will, as usual, cause the public debt to increase substantially from its June 30th level during the first half of fiscal 1964. The deficit foreseen for fiscal 1964 will add to this increase, and it will prevent a seasonal decrease in the debt from taking place during the final months of the fiscal year. The debt subject to limit as of June 30, 1964, is estimated at about \$316 billion. To meet our financial requirements and to provide a margin of flexibility, I will request a further increase in the debt limit for fiscal 1964. The exact amount and nature of the increase required depends not only on the total amount of the deficit but also on the particular time pattern of receipts and expenditures. For this reason, the debt limit to be requested for fiscal year 1964 will be determined later this year when a more reliable estimate can be made of the requirements.

The financing of the cash deficits in fiscal years 1963 and 1964 can and will be accomplished without contributing to the development of inflationary pressures. During the past 2 calendar years, a basic aim of debt management policy has been to help assure that an adequate supply of credit would be available to support domestic expansion, while at the same time helping to maintain interest rates on short-term securities at levels that would deter flows to the other major money markets abroad. This policy has been successfully carried out. In the future, as in the past, debt management policies will be directed toward assuring that any increase in the debt will be so distributed in its ownership and composition as to promote continued price stability in the economy.

EFFICIENCY AND ECONOMY IN GOVERNMENT

In our society, Government expects continuing scrutiny and criticism of its efficiency. The search for greater efficiency is never finished. What was an efficient practice a few years ago may be obsolete today. New approaches to work practices, to information handling, and even to decisionmaking itself are the order of the day throughout Government as well as private industry.

In striving for greater efficiency, we are pressing forward on three major fronts: Management improvement, cost reduction, and the reform of our public salary systems.

Management improvement and cost reduction.—This budget has been prepared with special attention to employment trends in the Federal Government. Requests for additional jobs have been reduced or denied wherever possible. Moreover, I have directed the heads of departments and agencies to join in a Governmentwide program to improve manpower controls and increase productivity. This will be done by a continuing review of personnel needs, eliminating low-priority work, and adopting more efficient practices. A system of inspections and reviews will be carried on to measure the effectiveness and results of our efforts, and to help uncover new ways to economize.

As evidence of improved productivity and cost reduction in Government, I offer these examples:

- In the Veterans Administration's insurance program, 6 million insurance policies were handled in 1950 by over 17,000 employees; now the same number of policies is being handled by 3,000 employees.
- In the Treasury Department, nearly three times as many checks and bonds are now being issued per employee as were issued 10

years ago and management improvements have made it possible to close and consolidate a number of field offices.

- In the Farmers Home Administration, a 35% increase has been achieved in 2 years in the number of loans processed per employee.
- In the Bureau of Old-Age and Survivors Insurance, output per worker will increase during the current year by 5.5%. Had this not been achieved, the agency would have required 1,700 more employees at a cost of about \$10 million. Further productivity gains are expected in the coming year.
- In the Patent Office, a vigorous program to improve efficiency led to an increase in productivity of 13% in processing patent applications in fiscal year 1962 compared with the previous year.
- Actions taken by the Department of Defense will produce savings of \$750 million this year alone in the cost of logistical operations. The Department's goal is to reduce these costs by at least \$3 billion annually within a 5-year period without affecting combat strength.
- In the Corps of Engineers, improvements in organization completed in 1962 have eliminated 1,600 jobs and reduced annual costs by \$13 million.
- Despite a steady rise in mail volume, the Post Office is hiring fewer new employees than in previous years, and more efficient practices are being instituted. Savings this fiscal year are expected to reach \$40 million.
- Energetic management and employee cooperation in the Internal Revenue Service have brought a wide range of efficiency gains which translate into fiscal year 1963 savings of about \$4.2 million.
- In the Bonneville Power Administration, new design standards for power transmission facilities will effect savings of \$7.5 million in costs of facilities started in 1963 and 1964.
- In the Tennessee Valley Authority, a new system for handling coal at the Bull Run plant will save about \$1 million in plant investment.
- The Federal Aviation Agency, by consolidating traffic control centers, will save \$7 million over a period of years. In addition, the discontinuance of nonstandard distance-measuring equipment will save \$1.4 million this year.
- The Department of Agriculture expects to achieve an annual saving of \$1.3 million after consolidating payroll functions and effecting efficiencies in certain personnel and fiscal management areas.
- In the Atomic Energy Commission, greater efficiency in producing special nuclear material will save \$7 million this year.
- In the Veterans Administration, conversion of insurance accounting and benefit payment operations to electronic computer equip-

ment will reduce operating costs by \$1.7 million this year. A decision to buy rather than rent computers will lead to savings of \$1.6 million annually. The closing of some nonessential field offices will produce annual savings of \$1.2 million.

These are heartening examples of cost reduction. They are representative of the effort that is being made throughout the Federal Government, and they bring credit to the officials and employees who are responsible.

We will continue to give priority to the cost reduction program in all Federal operations.

Salary reform.—As I requested, the Congress last year enacted major legislation in the field of pay administration. The Congress accepted the sound principle that I had strongly urged: namely, that Federal salaries should be determined by comparisons with rates paid by private employers for similar levels of work. The comparability principle for the first time provides a reasonable and objective formula for judging the adequacy of Government salary levels. Moreover, this single reform will go far toward enabling the Federal Government to secure and retain the high quality personnel it needs.

Significant elements of my proposals for pay adjustments have not yet been acted on, however. Salaries of upper-level career personnel are still too low when measured by the compensation provided outside of Government. In addition, the pay rates scheduled to take effect on January 1, 1964, will need to be improved moderately to maintain comparability with pay in the private economy, in the light of data recently reported by the Bureau of Labor Statistics. I shall ask the Congress to take appropriate action on these matters at an early date.

Having taken a major step toward establishment of a proper system of compensation for career employees, we must wait no longer to initiate a review of the salaries of department and agency heads and their deputies. Existing salaries for these officials are inadequate by any reasonable standard of comparison. Taxpayers gain rather than lose when pay is adequate to attract and hold able people. When the Congress enacted the Federal Salary Reform Act of 1962, it requested that recommendations be submitted to the next session for appropriate increases in Federal executive salaries at all levels. Accordingly, I intend to establish an advisory panel, made up of distinguished private citizens, to examine the present compensation for top positions in the executive, legislative, and judicial branches, and to suggest appropriate adjustment in the pay for these positions. After the panel concludes its study, I will make recommendations to the Congress.

CONCLUSION

The budget and fiscal policies I am proposing will serve the most urgent needs of our people, promote efficient performance of Government functions, and help release the brake on the rate of growth of our economy.

Our practical choice is not between a deficit and a budgetary surplus. It is instead between two kinds of deficits: a chronic deficit of inertia due to inadequate economic growth—or a temporary deficit resulting from a tax and expenditure program designed to provide for our national security, boost the economy, increase tax revenue, and achieve future budget surpluses. The first type of deficit is a sign of waste and weakness. The second is an investment in the future.

It is of great importance for the years ahead that we act boldly now if we are to assure more jobs for an ever growing labor force, if we are to achieve higher standards of living, and if we are to continue to provide the leadership required of us in the free world community. I am convinced that the program encompassed in this budget represents a proper use of fiscal tools for achieving these important goals.

JOHN F. KENNEDY.

JANUARY 17, 1963.

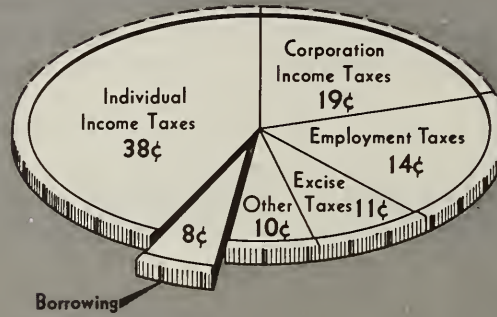
PART 2

SUMMARY TABLES

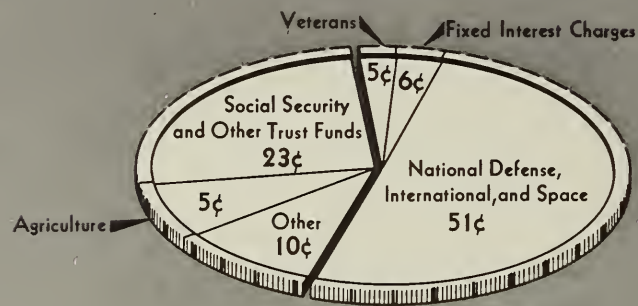
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THE GOVERNMENT DOLLAR

Where it comes from . . .



Where it goes . . .



Fiscal Year 1964 Estimate

Table 1. BUDGET RÉSUMÉ (in billions of dollars)

ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
RECEIPTS						
Individual income taxes.....	45.6	47.3	45.8			
Corporation income taxes.....	20.5	21.2	23.8			
Employment taxes.....				12.6	14.8	16.6
Excise taxes.....	9.6	9.9	10.4	2.9	3.2	3.3
Unemployment tax deposits by States.....				2.7	2.8	2.8
Estate and gift taxes.....	2.0	2.1	2.1			
Customs.....	1.1	1.3	1.4			
Federal employees retirement.....				1.8	1.8	1.9
Interest on trust fund investments.....				1.4	1.5	1.6
Veterans life insurance premiums.....				.5	.5	.5
Miscellaneous receipts.....	3.2	4.4	4.0	2.9	2.8	3.3
Interfund transactions (—).....	— .6	— .6	— .7	— .5	— .5	— .5
Total receipts.....	81.4	85.5	86.9	24.3	26.9	29.5
EXPENDITURES						
National defense.....	51.1	53.0	55.4	.4	.4	.6
International affairs and finance.....	2.8	2.9	2.7	*	*	.1
Space research and technology.....	1.3	2.4	4.2			
Agriculture and agricultural resources.....	5.9	6.7	5.7	.4	.4	.4
Natural resources.....	2.1	2.4	2.5	.1	.1	.1
Commerce and transportation.....	2.8	3.3	3.4	2.7	2.9	3.2
Housing and community development.....	.3	.5	.3	1.5	.5	1.0
Health, labor, and welfare.....	4.5	4.9	5.6	20.4	21.8	22.8
Education.....	1.1	1.4	1.5	*	*	*
Veterans benefits and services.....	5.4	5.5	5.5	.7	.9	.6
Interest.....	9.2	9.8	10.1			
General government.....	1.9	2.0	2.2	*	*	*
Deposit funds (net).....				— .5	.6	*
Allowances, undistributed:						
Comparability pay adjustment.....			.2			
Contingencies.....		.1	.2			
Interfund transactions (—).....	— .6	— .6	— .7	— .5	— .5	— .5
Total expenditures.....	87.8	94.3	98.8	25.2	27.3	28.4

CONSOLIDATED SUMMARY

Description	1962 actual	1963 estimate	1964 estimate
Cash receipts:			
Administrative budget receipts.....	81.4	85.5	86.9
Trust fund receipts.....	24.3	26.9	29.5
Intragovernmental transactions (—).....	— 3.8	— 3.9	— 4.2
Total receipts from the public.....	101.9	108.4	112.2
Cash expenditures:			
Administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures.....	25.2	27.3	28.4
Intragovernmental and other noncash transactions (—).....	— 5.3	— 4.8	— 4.7
Total payments to the public.....	107.7	116.8	122.5
Excess of receipts from (+) or payments to (—) the public.....	— 5.8	— 8.3	— 10.3

* Less than \$50 million. Note.—Detail may not add to totals due to rounding.

Table 2. RECEIPTS FROM AND PAYMENTS TO THE PUBLIC
(CONSOLIDATED CASH BASIS) (in billions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
RECEIPTS FROM THE PUBLIC			
Individual income taxes.....	45.6	47.3	45.8
Corporation income taxes.....	20.5	21.2	23.8
Employment taxes.....	12.6	14.8	16.6
Excise taxes.....	12.5	13.1	13.7
Unemployment tax deposits by States.....	2.7	2.8	2.8
Estate and gift taxes.....	2.0	2.1	2.1
Customs.....	1.1	1.3	1.4
Veterans life insurance premiums.....	.5	.5	.5
Other receipts.....	4.3	5.4	5.5
Total receipts from the public.....	101.9	108.4	112.2
PAYMENTS TO THE PUBLIC			
National defense.....	51.5	53.4	56.0
International affairs and finance.....	2.5	2.5	2.7
Space research and technology.....	1.3	2.4	4.2
Agriculture and agricultural resources.....	6.0	6.8	5.8
Natural resources.....	2.2	2.5	2.6
Commerce and transportation.....	5.5	6.2	6.7
Housing and community development.....	1.7	.9	1.1
Health, labor, and welfare.....	24.0	25.8	27.4
Education.....	1.1	1.3	1.5
Veterans benefits and services.....	6.1	6.4	6.0
Interest.....	6.9	7.5	7.7
General government.....	1.9	2.0	2.2
Deposit funds, net.....	-.5	.6	*
Allowances, undistributed:			
Comparability pay adjustment.....			.2
Contingencies.....		.1	.2
Other undistributed adjustments:			
Agency payments for employee retirement (—).....	-.9	-.9	-1.0
Deduction from employees' salaries for retirement (—).....	-.8	-.9	-.9
Increase (—) or decrease in outstanding checks, etc.....	-.5	.1	.1
Total payments to the public.....	107.7	116.8	122.5
Excess of receipts (+) or payments (—).....	-5.8	-8.3	-10.3

*Less than \$50 million.

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis. For fuller explanation, see special analysis A (pages 324 to 331).

Table 3. NEW OBLIGATIONAL AUTHORITY BY TYPE AND FUNCTION

(In billions of dollars)

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TYPE						
Authorizations requiring current action by Congress:						
Appropriations ¹	80.4	89.0	95.8	0.3	0.4	0.4
Reappropriations.....	.1	*	*			
Authorizations to expend from debt receipts.....	1.1	2.5	.4			
Contract authorizations.....		.2	*			
Total authorizations requiring current action by Congress.....	81.6	91.8	96.1	.3	.4	.4
Authorizations not requiring current action by Congress (permanent):						
Appropriations ¹	9.8	10.5	10.8	21.2	23.3	25.8
Authorizations to expend from debt receipts.....	.7	.7	.5	.3	.2	.2
Contract authorizations.....	.7	.3	.5	4.1	4.3	4.4
Total authorizations not requiring current action by Congress (permanent).....	11.2	11.4	11.8	25.6	27.8	30.4
Total new obligational authority.....	92.9	103.2	107.9	26.0	28.1	30.8
FUNCTION						
National defense.....	52.4	54.5	56.7	.9	.9	1.0
International affairs and finance.....	3.4	7.7	4.5	*	*	*
Space research and technology.....	1.8	3.7	5.7			
Agriculture and agricultural resources.....	6.4	5.8	7.3	*	*	*
Natural resources.....	2.2	2.4	2.6	.1	.1	.1
Commerce and transportation.....	3.1	4.0	3.0	3.4	3.6	3.7
Housing and community development.....	.6	.6	.6	.6	.5	.6
Health, labor, and welfare.....	5.0	5.4	6.0	20.2	22.2	24.6
Education.....	1.3	1.4	3.0	*	*	*
Veterans benefits and services.....	5.5	5.6	5.6	.7	.7	.7
Interest.....	9.2	9.8	10.1			
General government.....	2.0	2.2	2.3	*	*	*
Allowances, undistributed:						
Comparability pay adjustment.....			.2			
Contingencies.....		.1	.2			
Total new obligational authority.....	92.9	103.2	107.9	26.0	28.1	30.8

*Less than \$50 million.

¹ Excludes appropriations to liquidate contract authorizations:

Administrative budget funds, 1962, \$0.7 billion; 1963, \$0.8 billion; 1964, \$0.7 billion.

Trust funds, 1962, \$3.2 billion; 1963, \$3.7 billion; 1964, \$3.8 billion.

Note.—New obligational authority is the amount becoming available by act of Congress for the incurring of obligations which will result in expenditures. The various types of new obligational authority are explained on pages 124 to 125. For detailed information on new obligational authority by agency and account see pages 128 to 321.

Table 4. NEW OBLIGATIONAL AUTHORITY BY AGENCY (in millions of dollars)

Description	1962 enacted	1963 estimate			1964 estimate		
		Enacted	Supple- mental needed	Total	Trans- mitted herein	Later trans- mittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch.....	129	157	4	161	149	-----	149
The Judiciary.....	59	64	2	66	69	-----	69
Executive Office of the President.....	27	23	1	24	33	-----	33
Funds appropriated to the Presi- dent.....	4,170	6,513	525	7,038	5,189	-----	5,189
Department of Agriculture.....	7,410	6,714	38	6,753	8,135	9	8,144
Department of Commerce.....	827	798	10	809	981	-----	981
Department of Defense:							
Military functions.....	48,170	49,566	395	49,961	51,281	900	52,181
Civil functions.....	1,016	1,088	4	1,093	1,146	-----	1,146
Department of Health, Educa- tion, and Welfare.....	4,629	5,117	276	5,393	5,538	1,619	7,158
Department of the Interior.....	929	1,093	37	1,130	1,254	25	1,279
Department of Justice.....	297	307	12	318	355	-----	355
Department of Labor.....	644	334	17	351	427	100	527
Post Office Department.....	874	653	153	806	565	-----	565
Department of State.....	309	415	11	427	374	-----	374
Treasury Department.....	10,204	10,793	28	10,821	11,297	-----	11,297
Atomic Energy Commission.....	2,547	3,135	-----	3,135	2,893	-----	2,893
Federal Aviation Agency.....	729	746	9	756	810	-----	810
General Services Administration.....	606	579	53	631	659	-----	659
Housing and Home Finance Agency.....	861	752	46	798	729	100	829
National Aeronautics and Space Administration.....	1,825	3,673	-----	3,673	5,712	-----	5,712
Veterans Administration.....	5,447	5,453	141	5,595	5,580	-----	5,580
Other independent agencies.....	1,088	1,243	2,053	3,296	1,532	-50	1,481
District of Columbia.....	65	60	-----	60	43	24	67
Allowances, undistributed:							
Comparability pay adjustment.....	-----	-----	-----	-----	-----	200	200
Contingencies.....	-----	-----	100	100	-----	250	250
Total administrative budget.....	92,862	99,276	3,916	103,192	104,750	3,177	107,927
TRUST FUNDS							
Funds appropriated to the Presi- dent.....	870	864	-----	864	956	-----	956
Department of Commerce.....	3,366	3,593	-----	3,593	3,715	-----	3,715
Department of Health, Educa- tion, and Welfare.....	13,087	14,922	-----	14,922	16,683	63	16,746
Department of Labor.....	3,985	4,042	-----	4,042	4,286	2	4,288
Veterans Administration.....	720	737	-----	737	730	-----	730
Civil Service Commission.....	2,075	2,152	-----	2,152	2,331	-----	2,331
Railroad Retirement Board.....	1,081	1,111	-----	1,111	1,157	62	1,219
Other agencies.....	767	719	7	726	787	31	818
Total trust funds.....	25,952	28,140	7	28,147	30,645	158	30,803

Note.—For explanation of the columnar headings for 1963 and 1964, see pages 126 and 127. For detailed information on new obligational authority by agency and account, see pages 128 to 321.

Table 5. EXPENDITURES BY AGENCY (in millions of dollars)

Description	1962 actual	1963 estimate			1964 estimate		
		Enacted	Supple- mental needed	Total	Trans- mitted herein	Later trans- mittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch.....	153	154	5	159	155	*	155
The Judiciary.....	57	64	1	65	69	*	69
Executive Office of the President.....	29	24	1	25	31	*	31
Funds appropriated to the President.....	3,443	4,308	50	4,359	4,237	138	4,375
Department of Agriculture.....	6,669	7,450	44	7,493	6,606	-41	6,565
Department of Commerce.....	594	733	12	745	892	3	895
Department of Defense:							
Military functions.....	46,815	47,974	326	48,300	50,063	937	51,000
Civil functions.....	999	1,102	4	1,106	1,140	*	1,140
Department of Health, Education, and Welfare.....	4,215	4,777	270	5,048	5,350	392	5,742
Department of the Interior.....	908	1,023	31	1,054	1,153	12	1,165
Department of Justice.....	294	306	11	317	336	1	337
Department of Labor.....	620	222	17	239	373	61	433
Post Office Department.....	797	658	144	802	545	9	554
Department of State.....	307	451	6	457	356	5	361
Treasury Department.....	10,173	10,786	25	10,811	11,230	3	11,232
Atomic Energy Commission.....	2,806	2,870	-----	2,870	2,850	-----	2,850
Federal Aviation Agency.....	698	782	9	791	800	1	801
General Services Administration.....	445	499	33	532	581	14	594
Housing and Home Finance Agency.....	739	1,087	1	1,088	685	10	695
National Aeronautics and Space Administration.....	1,257	2,400	-----	2,400	4,200	-----	4,200
Veterans Administration.....	5,392	5,393	139	5,532	5,468	2	5,470
Other independent agencies.....	937	561	46	607	401	-46	355
District of Columbia.....	72	83	-----	83	65	21	86
Allowances, undistributed.....	-----	-----	75	75	-----	375	375
Subtotal.....	88,419	93,708	1,249	94,957	97,584	1,898	99,482
Interfund transactions (-).....	-633	-----	-----	-646	-----	-----	-679
Total administrative budget.....	87,787	-----	-----	94,311	-----	-----	98,802
TRUST FUNDS							
Funds appropriated to the President.....	363	437	-----	437	574	-----	574
Department of Commerce.....	2,822	3,023	-----	3,023	3,401	-----	3,401
Department of Health, Education, and Welfare.....	14,359	15,765	-----	15,765	16,650	-----	16,650
Department of Labor.....	3,906	3,750	-----	3,750	3,600	170	3,770
Veterans Administration.....	724	871	-----	871	548	-----	548
Civil Service Commission.....	976	1,177	-----	1,177	1,275	-----	1,275
Railroad Retirement Board.....	1,135	1,112	-----	1,112	1,099	-----	1,099
Other agencies.....	1,443	1,629	-----	1,629	1,500	18	1,518
Subtotal.....	25,729	27,766	-----	27,766	28,647	188	28,835
Interfund transactions (-).....	-528	-----	-----	-491	-----	-----	-454
Total trust funds.....	25,201	-----	-----	27,275	-----	-----	28,382

*Less than one-half million dollars.

Note.—For explanation of the columnar headings for 1963 and 1964, see pages 126 and 127. For detailed information on expenditures by agency and account, see pages 128 to 321.

Table 6. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(In millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Additions to Federal assets:			
Civil:			
Loans and investments.....	2,807	2,734	1,280
Public works—sites and direct construction.....	2,046	2,575	2,856
Other.....	—537	791	429
National defense.....	17,315	18,063	18,854
Total, additions to Federal assets.....	21,631	24,162	23,419
Additions to State, local, and private assets:			
Civil.....	1,305	1,519	1,756
National defense.....	16	25	72
Total, additions to State, local, and private assets.....	1,322	1,544	1,828
Expenditures for other developmental purposes:			
Civil:			
Research and development.....	2,045	3,196	4,973
Other.....	1,157	1,362	1,756
National defense:			
Research and development.....	7,747	8,174	8,755
Other.....	13	15	17
Total, other developmental expenditures.....	10,963	12,747	15,501
Current aids, special services, and operations:			
Civil.....	28,492	29,700	30,622
National defense.....	26,011	26,727	27,736
Total, current aids, special services, and operations.....	54,504	56,428	58,359
Allowances, undistributed.....		75	375
Interfund transactions (—).....	—633	—646	—679
Total, administrative budget.....	87,787	94,311	98,802
TRUST FUNDS			
Additions to Federal assets:			
Loans and investments.....	655	594	826
Public works.....	40	48	37
Other.....	*	*	1
Total, additions to Federal assets.....	695	643	864
Additions to State, local, and private assets	3,783	3,031	3,611
Expenditures for other developmental purposes	46	50	76
Retirement and social insurance benefits:			
Social security and unemployment benefits.....	17,040	17,897	18,754
Other.....	2,558	2,858	2,688
Total, retirement and social insurance benefits.....	19,598	20,755	21,442
Current aids, special services, and operations	1,291	1,326	1,628
District of Columbia, deposit funds, and other unclassified items	317	1,962	1,215
Interfund transactions (—)	—528	—491	—454
Total, trust funds.....	25,201	27,275	28,382

* Less than one-half million dollars.

Note.—For more information on this classification see special analysis D (pages 346 to 364).

Table 7. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS (in billions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts.....	47.6	50.1	48.8
Corporate profits tax accruals.....	21.9	21.7	23.3
Indirect business tax and nontax accruals.....	14.6	15.3	15.8
Contributions for social insurance.....	19.8	21.8	23.4
Total receipts, national income basis.....	104.0	108.8	111.4
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services.....	59.8	64.4	68.2
Transfer payments.....	27.8	29.7	30.9
Grants-in-aid to State and local governments.....	7.3	7.8	8.8
Net interest paid.....	6.6	7.3	7.5
Subsidies less current surplus of Government enterprises.....	4.2	4.0	3.6
Total expenditures, national income basis.....	105.7	113.2	119.0
Surplus (+) or deficit (-), national income basis.....	-1.7	-4.3	-7.6

RELATION OF THE FEDERAL SECTOR IN THE NATIONAL INCOME ACCOUNTS TO RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

RECEIPTS			
Total receipts, national income accounts.....	104.0	108.8	111.4
Receipts not included in Federal receipts in the national income accounts:			
Realization on loans and other assets.....	.8	1.4	1.0
District of Columbia government receipts.....	.3	.4	.4
Interest and other earnings.....	1.0	1.1	1.2
Receipt adjustments to consolidated cash basis:			
Employee contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Employer contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Accrual to cash and other adjustments (-).....	-2.5	-1.4	.1
Total Federal receipts from the public.....	101.9	108.4	112.2
EXPENDITURES			
Total expenditures, national income accounts.....	105.7	113.2	119.0
Expenditures not included in Federal activities in the national income accounts:			
Loans, purchase of land, deposit funds, etc.....	3.4	4.0	3.7
District of Columbia government expenditures.....	.3	.4	.4
Portion of interest and other expenditures offset by receipts in the national income accounts.....	.9	1.4	1.3
Expenditure adjustments to consolidated cash basis:			
Employee contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Employer contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Accrual to cash and other adjustments (-).....	-1.8	-1.3	-.9
Commodity Credit Corporation expenditures offset by foreign currency receipts in the national income accounts.....	.9	1.0	1.0
Total Federal payments to the public.....	107.7	116.8	122.5

Note.—This table shows Federal receipts and expenditures on the basis used in the national income and gross national product statistics of the Department of Commerce. For a fuller explanation, see special analysis A (pages 324 to 331).

Table 8. RELATION OF AUTHORIZATIONS TO EXPENDITURES

(In millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
New obligational authority (tables 3 and 4): ¹			
Current authorizations.....	81,627	91,785	96,147
Permanent authorizations.....	11,236	11,407	11,781
Total new obligational authority.....	92,862	103,192	107,927
Unobligated balances brought forward, start of year (table 10).....	39,532	39,163	40,930
Appropriations available in prior year (—).....	—569	—641	—780
Appropriations available from subsequent year.....	639	780	780
Balances no longer available:			
Unobligated balances rescinded (—).....	—514		
Unobligated balances lapsing (—).....	—587	—308	—482
Capital transfers from revolving funds to general fund (—).....	—188	—171	—141
Unobligated balances carried forward, end of year (—) (table 10).....	—39,163	—40,930	—39,092
Obligations incurred, net (table 9).....	92,011	101,086	109,143
Obligated balances brought forward, start of year (table 10).....	36,913	40,102	46,227
Adjustments of obligated balances in expired accounts.....	—403	—4	—5
Obligated balances carried forward, end of year (—) (table 10).....	—40,102	—46,227	—55,883
Subtotal.....	88,419	94,957	99,482
Interfund transactions (—) (see note to table 14).....	—633	—646	—679
Total administrative budget expenditures (tables 1 and 5).....	87,787	94,311	98,802
From new obligational authority.....			56,450
From balances of prior obligational authority.....			42,353
TRUST FUNDS			
New obligational authority (tables 3 and 4): ¹			
Current authorizations.....	323	351	392
Permanent authorizations.....	25,628	27,796	30,410
Total new obligational authority.....	25,952	28,147	30,803
Unexpended balances brought forward, start of year (table 10).....	62,721	64,037	64,527
Balances no longer available (—).....	—34	—26	—28
Adjustments of balances in expired accounts.....	35		
Unexpended balances carried forward, end of year (—) (table 10).....	—64,037	—64,527	—66,819
Subtotal.....	24,637	27,631	28,483
Government-sponsored enterprise expenditures.....	1,092	135	352
Interfund transactions (—) (see note to table 14).....	—528	—491	—454
Total trust fund expenditures (tables 1 and 5).....	25,201	27,275	28,382

Note.—This table summarizes and brings into relationship totals from the various other tabulations. The types of new obligational authority and the considerations involved in the various means of financing agency activities are explained on pages 124 to 127.

¹ Excludes appropriations to liquidate contract authorizations:

	1962	1963	1964
Administrative budget funds.....	724	802	747
Trust funds.....	3,223	3,656	3,810

Table 9. OBLIGATIONS INCURRED, NET (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Legislative Branch.....	130	153	151
The Judiciary.....	59	65	69
Executive Office of the President.....	25	24	33
Funds appropriated to the President.....	4,736	5,455	4,970
Department of Agriculture.....	7,016	6,645	7,177
Department of Commerce.....	623	905	1,008
Department of Defense:			
Military functions.....	47,685	50,563	52,971
Civil functions.....	1,032	1,153	1,154
Department of Health, Education, and Welfare.....	4,529	5,546	7,220
Department of the Interior.....	898	1,184	1,278
Department of Justice.....	296	314	353
Department of Labor.....	626	262	524
Post Office Department.....	836	806	565
Department of State.....	312	447	385
Treasury Department.....	10,197	10,841	11,296
Atomic Energy Commission.....	2,690	3,306	2,913
Federal Aviation Agency.....	656	803	871
General Services Administration.....	420	764	703
Housing and Home Finance Agency.....	1,237	1,408	1,594
National Aeronautics and Space Administration.....	1,644	3,723	5,666
Veterans Administration.....	5,411	5,594	5,520
Other independent agencies.....	878	942	2,186
District of Columbia.....	72	83	86
Allowances, undistributed:			
Comparability pay adjustment.....			200
Contingencies.....		100	250
Total administrative budget.....	92,011	101,086	109,143
TRUST FUNDS			
Funds appropriated to the President.....	496	750	844
Department of Commerce.....	3,064	3,887	3,809
Department of Health, Education, and Welfare.....	14,373	15,809	16,670
Department of Labor.....	3,908	3,750	3,785
Veterans Administration.....	738	891	557
Civil Service Commission.....	977	1,156	1,276
Railroad Retirement Board.....	1,138	1,112	1,121
Other agencies.....	767	789	1,156
Total trust funds.....	25,461	28,145	29,218

Note.—This table reflects the net obligations incurred, as explained on pages 124 to 126. For administrative budget funds, obligations are determined by deducting from the gross obligations the applicable receipts of public enterprise funds and intragovernmental funds, and the reimbursements to general fund and special fund appropriations. For trust funds, net obligations are determined by deducting from the gross obligations the applicable receipts of trust revolving funds and the reimbursements to trust fund appropriations.

Table 10. BALANCES OF OBLIGATIONAL AUTHORITY (in millions of dollars)

Description	Start 1962		Start 1963— End 1962		Start 1964— End 1963		End 1964	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
ADMINISTRATIVE BUDGET FUNDS								
Legislative Branch.....	72	41	45	33	36	36	28	28
The Judiciary.....	4	—	5	—	5	—	5	—
Executive Office of the President.....	41	1	3	*	2	—	4	—
Funds appropriated to the President.....	3,500	7,020	4,793	6,498	5,889	8,376	6,484	8,404
Department of Agriculture.....	2,179	1,144	2,525	1,379	1,676	1,366	2,288	2,135
Department of Commerce.....	493	478	522	538	682	437	796	409
Department of Defense:								
Military functions.....	20,554	9,879	21,102	9,806	23,365	8,837	25,336	8,195
Civil functions.....	248	106	279	77	326	17	340	8
Department of Health, Education, and Welfare.....	1,237	242	1,519	313	2,017	263	3,495	190
Department of the Interior.....	288	152	279	172	408	111	522	109
Department of Justice.....	20	18	21	15	19	15	35	14
Department of Labor.....	7	223	14	216	37	298	127	302
Post Office Department.....	326	7	366	7	370	7	381	7
Department of State.....	87	44	90	40	81	20	105	8
Treasury Department.....	115	278	138	278	167	253	232	252
Atomic Energy Commission.....	1,129	334	1,013	191	1,449	20	1,512	—
Federal Aviation Agency.....	396	164	352	233	365	185	435	124
General Services Administration.....	188	201	162	371	394	226	502	178
Housing and Home Finance Agency.....	3,084	9,762	3,582	9,283	3,901	8,596	4,800	7,590
National Aeronautics and Space Administration.....	437	154	824	334	2,147	284	3,613	330
Veterans Administration.....	278	527	295	555	357	531	407	565
Other independent agencies.....	2,230	8,646	2,171	8,727	2,506	10,984	4,338	10,194
District of Columbia.....	—	111	—	96	—	70	—	50
Allowances, undistributed.....	—	—	—	—	25	—	100	—
Total administrative budget.....	36,913	39,532	40,102	39,163	46,227	40,930	55,883	39,092
Recapitulation by type of balance:								
Appropriations.....	28,377	10,237	30,192	9,747	35,654	10,587	41,144	9,768
Authorizations to expend from debt receipts.....	5,934	21,022	6,517	20,893	6,115	22,468	8,575	21,917
Contract authorizations.....	1,133	2,979	1,530	2,649	1,444	2,366	1,817	1,717
Revolving and management funds.....	1,469	5,294	1,862	5,874	3,014	5,509	4,347	5,691
Total administrative budget.....	36,913	39,532	40,102	39,163	46,227	40,930	55,883	39,092
TRUST FUNDS								
Funds appropriated to the President.....	668	—	1,320	—	1,746	—	2,128	—
Department of Commerce.....	7,802	—	8,320	—	8,864	—	9,150	—
Department of Health, Education, and Welfare.....	23,408	—	22,137	—	21,294	—	21,389	—
Department of Labor.....	5,754	—	5,832	—	6,124	—	6,642	—
Veterans Administration.....	6,928	—	6,924	—	6,789	—	6,971	—
Civil Service Commission.....	11,388	—	12,487	—	13,462	—	14,517	—
Railroad Retirement Board.....	3,843	—	3,789	—	3,788	—	3,909	—
Other agencies.....	2,929	—	3,228	—	2,458	—	2,111	—
Total trust funds.....	62,721	—	64,037	—	64,527	—	66,819	—
Recapitulation by type of balance:								
Appropriations.....	53,242	—	53,702	—	53,665	—	55,561	—
Contract authorizations.....	8,053	—	8,901	—	9,497	—	10,163	—
Revolving funds.....	1,426	—	1,435	—	1,364	—	1,095	—
Total trust funds.....	62,721	—	64,037	—	64,527	—	66,819	—

*Less than one-half million dollars.

Note.—For explanation of balances carried forward see page 126.

Table 11. THE PUBLIC DEBT (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
PUBLIC DEBT HELD BY THE PUBLIC			
Public debt held by public, start of year	233,714	242,546	246,777
Change in public debt held by public during the year:			
Consolidated cash deficit or surplus (—) (tables 1 and 2) ..	5,822	8,343	10,281
Receipts from exercise of monetary authority (—)	—58	—39	—49
Increase or decrease (—) in debt issued in lieu of checks (table A-3)	923	1,019	612
Increase or decrease (—) in cash on hand	3,854	—4,310	-----
Net borrowing from or repayments to (—) the public ..	10,542	5,013	10,844
Deduct net borrowing of Government enterprises from the public (included on preceding line) (table B-5)	1,710	781	1,022
Net increase in public debt held by the public	8,832	4,232	9,822
Public debt held by the public, end of year	242,546	246,777	256,600
PUBLIC DEBT HELD BY GOVERNMENT-ADMINISTERED FUNDS			
Public debt held by Government-administered funds, start of year	55,257	55,655	56,717
Change in public debt held by Government-administered funds during the year (table B-6)	398	1,061	2,288
Public debt held by Government-administered funds, end of year	55,655	56,717	59,004
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION AT END OF YEAR			
Public debt:			
Held by the public	242,546	246,777	256,600
Held by Government-administered funds	55,655	56,717	59,004
Total public debt	298,201	303,494	315,604
Portion of Government enterprise debt subject to the public debt limitation	444	600	514
Portion of public debt not subject to limitation (—)	—433	—370	—360
Debt subject to limitation, end of year	298,212	303,724	315,758
Statutory limitation on public debt, end of year:			
Under existing legislation	300,000	300,000	285,000
Under proposed legislation	-----	308,000	(¹)

Note.—The first portion of this table reflects borrowing (or repayment thereof) through the issuance of U.S. securities to the public by both the Treasury and by certain "Government enterprises," a term used here to refer to activities which have authority to issue their own securities. The borrowing by such enterprises is then deducted to arrive at the changes in the public debt (a term which relates to securities issued by the Treasury). "Government-administered funds" in this table refers to activities which have authority to buy U.S. securities for investment purposes.

¹ To be determined later, when more reliable estimate of requirements may be possible.

Table 12. CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Description	As of June 30		
	1962 actual	1963 estimate	1964 estimate
Executive Office of the President.....	1,673	1,681	1,769
Department of Agriculture.....	110,511	116,268	121,583
Department of Commerce.....	31,417	32,802	36,299
Department of Defense:			
Military functions.....	1,034,186	1,029,247	1,019,111
Military assistance.....	3,946	3,492	3,501
Civil functions ¹	31,411	32,260	32,553
Department of Health, Education, and Welfare.....	77,242	83,306	89,237
Department of the Interior.....	64,078	70,721	74,720
Department of Justice.....	32,056	32,607	33,372
Department of Labor.....	8,951	9,620	10,913
Post Office Department.....	588,477	598,609	608,259
Department of State.....	23,937	24,633	25,368
Agency for International Development.....	15,495	16,588	16,540
Peace Corps.....	784	1,051	1,251
Treasury Department.....	83,036	87,494	91,643
Atomic Energy Commission.....	6,863	7,152	7,330
Federal Aviation Agency.....	44,396	48,040	48,666
General Services Administration.....	31,519	34,349	37,557
Housing and Home Finance Agency.....	13,469	14,235	15,037
National Aeronautics and Space Administration.....	23,686	29,147	33,100
Veterans Administration.....	176,562	176,881	177,290
Other independent agencies:			
Tennessee Valley Authority.....	18,660	17,962	17,554
The Panama Canal.....	14,509	14,858	14,832
United States Information Agency.....	11,132	11,838	12,524
Miscellaneous independent agencies.....	36,658	39,200	40,524
Total.....	2,484,654	²2,534,041	²2,570,533

Note.—Although most of the employees shown here are paid from administrative budget funds, some are paid from trust funds; and in the case of some agencies, the table includes employees who are paid from other funds outside the scope of the budget document. The figures include tentative estimates for employment under appropriations proposed for later transmittal. In accordance with definitions of the Civil Service Commission, the figures cover both those employees who are working on June 30, and also part-time and intermittent employees who work at any time during the month of June.

¹ Employment of the Panama Canal and the U.S. Soldiers' Home is included under "Other independent agencies" below.

² Excludes project employees for the public works acceleration program which are estimated to total approximately 35,000 by June 1963, and are estimated to be nominal by June 1964 under the existing program.

PART 3

RECEIPTS

ANALYSIS OF RECEIPTS BY SOURCE

This section of the budget provides additional information on the proposed tax changes and revenue estimates described in the budget message.

Economic base of estimates.—The estimates of receipts in this budget are based on the assumption that the Nation's total output of goods and services in calendar year 1963 will amount to \$578 billion, which is \$24 billion more than in calendar year 1962. This value of the gross national product is the midpoint of a range of expectation which extends about \$5 billion on each side.

The economic assumptions are summarized in the following table:

ECONOMIC ASSUMPTIONS

[Calendar years. In billions]

	1961 actual	1962 preliminary	1963 estimate
Gross national product.....	\$519	\$554	\$578
Personal income.....	416	440	459
Corporate profits before taxes ¹	45.6	50.9	53.0

¹ To maintain comparability with the currently published statistics of the Department of Commerce, these estimates have not been adjusted for the effect of the recently revised depreciation guidelines which will eventually reduce the reported level of pretax profits.

Although estimates of tax revenues are derived from the assumed levels of aggregate economic performance, they cannot be estimated simply and directly. The definitions of taxable income in the tax statutes, which determine tax liabilities, differ from the statistical or economic definitions used to measure economic performance. In addition, tax payments are received by the Treasury after the period in which the tax liabilities are incurred; for example, corporation income tax collections now lag 6 months behind the period when the taxable income was earned.

Estimated changes in revenues.—It is estimated that total receipts from the public will increase by \$3.8 billion between fiscal years 1963 and 1964. Receipts from individual income taxes are expected to fall, while corporation income tax receipts will increase. Employment taxes will be higher, and moderate rises are expected in receipts from other sources, except for miscellaneous budget receipts which are expected to decline from the 1963 level.

The estimates of receipts incorporate the effects of the proposed tax legislation on revenues in fiscal year 1964.

Individual income tax receipts in fiscal 1964 are estimated to total \$45.8 billion, a decrease of \$1.5 billion from 1963. The reduction reflects the impact of the proposed cut in tax rates in fiscal 1964, offset in part by the prospective rise in personal income.

RECEIPTS FROM THE PUBLIC

[Fiscal years. In millions]

Source	1962 actual	1963 estimate	1964 estimate
Administrative budget receipts:			
Individual income taxes.....	\$45,571	\$47,300	\$45,800
Corporation income taxes.....	20,523	21,200	23,800
Excise taxes.....	9,585	9,900	10,430
Estate and gift taxes.....	2,016	2,060	2,125
Customs.....	1,142	1,278	1,390
Miscellaneous budget receipts.....	2,572	3,762	3,355
Subtotal, administrative budget receipts.....	81,409	85,500	86,900
Trust fund receipts:			
Employment taxes.....	12,561	14,805	16,630
Deposits by States, unemployment insurance.....	2,729	2,775	2,770
Excise taxes.....	2,949	3,212	3,306
Federal employee and agency payments for retirement.....	1,756	1,799	1,909
Interest on trust investments.....	1,433	1,470	1,555
Veterans life insurance premiums etc.....	501	516	513
Other trust fund receipts.....	2,396	2,286	2,857
Subtotal, trust fund receipts.....	24,325	26,863	29,540
Deduct intragovernmental transactions.....	3,847	3,932	4,244
Total, receipts from the public.....	101,887	108,431	112,196

Revenues from corporation income taxes are estimated to increase by \$2.6 billion in fiscal year 1964, based on the assumed rise in corporate income, before taxes, to \$53 billion in calendar 1963 from \$50.9 billion in calendar 1962. The effect on receipts of the proposed change in corporation income tax rates in fiscal 1964 will be more than offset by the proposed acceleration of tax payments.

An increase of \$624 million is estimated in excise tax receipts, including the highway trust fund excises, raising the fiscal year 1964

total to \$13.7 billion. For fiscal 1963, these revenues are estimated at \$13.1 billion, in comparison with actual receipts of \$12.5 billion in fiscal 1962. The increase estimated in 1964 extends across the entire range of excises.

Employment taxes in fiscal 1964, estimated at \$16.6 billion, are larger than in fiscal 1963, primarily because of the full-year effect of the increase in the combined social security tax rate from 6¼% to 7¼% on January 1, 1963.

Miscellaneous budget receipts, estimated at \$3.4 billion in 1964, show a decline from fiscal year 1963. The decrease is primarily the result of \$389 million of nonrecurring prepayments to the general fund of the Treasury in 1963 on French and Italian loans.

Proposed legislation.—The legislative proposals reflected in the estimates of receipts are presented below.

Income tax proposals.—A comprehensive income tax program will be presented for enactment as a single legislative measure. One bill is being proposed because of the interdependence of the recommendations for tax reduction and structural change and the need for a coordinated program to provide the best balance of economic incentives to businesses and consumers, with maximum encouragement to economic growth.

The specific, detailed recommendations will be described in a special tax message to the Congress. They include structural changes in the tax system designed to provide more equitable tax treatment and to correct distortions in the existing structure. They also incorporate across the board reductions in the income tax rates that apply to individuals and corporations. Corporation income tax collections will be rescheduled with the objective of placing them more nearly on a current basis by reducing the lag between the accrual of tax liabilities and their payment.

Only part of the new tax program will affect fiscal 1964 revenues. The tax reductions becoming effective this calendar year, by themselves, would reduce budget receipts in fiscal 1964 by some \$5.3 billion. Taking account of the proposed speedup in the payment of corporate taxes and the initial stimulus to the economy provided by the tax program, the net revenue loss in fiscal 1964 is estimated to be \$2.7 billion. Despite this revenue loss, administrative budget re-

ceipts are estimated to rise by \$1.4 billion because of the anticipated expansion in economic activity.

Excise taxes.—Under present law, the excise rates on distilled spirits, beer, wines, cigarettes, passenger automobiles and automobile parts and accessories will decline on July 1, 1963, and the tax on general telephone service will expire on July 1, 1963. The revenue estimates are based on the assumption that legislation extending the present rates of these taxes for 1 year beyond June 30, 1963, will be enacted as recommended. If these rates were not extended, receipts in fiscal 1964 would be \$1.6 billion less than the present estimate.

User charges for transportation.—Extension of the 5% tax on air-passenger transportation beyond its expiration date of June 30, 1963, will be requested, and recommendations will be presented for a series of other user charges for commercial and general aviation and for transportation on inland waterways. The objective of these recommendations is to assure that passengers and shippers who benefit from special Government programs bear a fair share of the costs of these programs.

Specifically the following additional user charges, effective January 1, 1964, are proposed: (a) a 5% tax on airfreight; (b) a 2-cents-per-gallon tax on all fuels used in commercial air transportation, including jet fuels; and (c) a 3-cents-per-gallon tax on all fuels used in general aviation. Further, the principle of user charges should be extended to the inland waterways, with a tax of 2-cents-per-gallon on all fuels used in transportation on these waterways, also effective January 1, 1964. The receipts are to be retained in the general fund of the Treasury. Enactment of the transportation user tax proposals will add \$0.1 billion in receipts in fiscal 1964.

ESTIMATED EFFECT OF PROPOSED TAX LEGISLATION ON ADMINISTRATIVE BUDGET RECEIPTS

[In billions]

Proposal	Fiscal year 1964
Extension of present tax rates:	
Corporation income tax	\$1.2
Excise taxes	1.6
New tax proposals:	
Income tax rate and structure proposals (net) ¹	-2.7
Transportation user tax proposals	0.1

¹ Amounts are shown after allowance for the estimated economic stimulus resulting from the proposed tax program. More detail will be presented in a special message.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Individual income taxes:			
Withheld.....	36,246	38,400	36,700
Other.....	14,403	14,200	14,400
Gross individual income taxes.....	50,650	52,600	51,100
Less refunds.....	5,079	5,300	5,300
Net individual income taxes.....	45,571	47,300	45,800
Corporation income taxes.....	21,296	22,000	24,600
Less refunds.....	773	800	800
Net corporation income taxes.....	20,523	21,200	23,800
Excise taxes:			
Alcohol taxes:			
Distilled spirits (domestic and imported).....	2,386	2,500	2,650
Beer.....	813	832	870
Rectification tax.....	23	23	23
Wines (domestic and imported).....	98	100	104
Special taxes in connection with liquor occupations.....	20	22	22
Total alcohol taxes.....	3,341	3,477	3,669
Tobacco taxes:			
Cigarettes (small).....	1,957	2,017	2,100
Manufactured tobacco (chewing, smoking, and snuff).....	17	17	17
Cigars (large).....	50	50	50
Cigarette papers and tubes.....	1	1	1
All other.....	2	3	3
Total tobacco taxes.....	2,026	2,088	2,171
Taxes on documents, other instruments, and playing cards:			
Issues of securities, stock and bond transfers, and deeds of conveyance.....	151	155	165
Playing cards.....	9	9	10
Silver bullion sales or transfers.....	*	*	*
Total taxes on documents, other instruments, and playing cards.....	159	164	175
Manufacturers' excise taxes:			
Gasoline.....	2,406	2,457	2,528
Lubricating oils.....	73	75	80
Passenger automobiles.....	1,300	1,525	1,600
Automobile trucks, buses, and trailers.....	256	293	305
Parts and accessories for automobiles.....	197	210	225
Tires, inner tubes, and tread rubber.....	360	396	407
Electric, gas, and oil appliances.....	66	67	70
Electric light bulbs.....	34	35	38
Radio and television receiving sets, phonographs, phonograph records, and musical instruments.....	215	237	265
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units.....	55	59	63
Business and store machines.....	82	75	70
Photographic equipment.....	25	26	28
Matches.....	5	5	5
Sporting goods, including fishing rods, creels, etc.....	21	23	27

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Firearms, shells and cartridges.....	15	16	18
Pistols and revolvers.....	2	2	2
Fountain and ballpoint pens, mechanical pencils.....	8	8	8
Total manufacturers' excise taxes.....	5,120	5,509	5,739
Retailers' excise taxes:			
Jewelry.....	174	179	190
Furs.....	31	31	33
Toilet preparations.....	143	155	172
Luggage, handbags, wallets, etc.....	69	71	74
Total retailers' excise taxes.....	416	436	469
Miscellaneous excise taxes:			
Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc.....	345	385	415
General telephone service.....	489	525	570
Transportation of persons.....	260	190	72
Transportation of persons by air.....			33
Transportation of freight by air.....			3
Fuel used on inland waterways.....			3
Jet fuel.....			15
Diesel fuel used on highways.....	104	112	123
Use tax on certain vehicles.....	80	88	90
Admission, exclusive of cabarets, roof gardens, etc.....	38	40	43
Cabarets, roof gardens, etc.....	35	36	38
Wagering taxes, including occupational taxes.....	6	6	6
Club dues and initiation fees.....	68	70	76
Leases of safe deposit boxes.....	7	7	7
Sugar tax.....	95	97	100
Coin-operated amusement and gaming devices.....	20	23	26
Bowling alleys and billiard and pool tables.....	4	5	5
All other miscellaneous excise taxes.....	2	2	2
Total miscellaneous excise taxes.....	1,552	1,586	1,627
Undistributed depository receipts and unapplied collections.....	137	81	114
Gross excise taxes.....	12,752	13,341	13,964
Less refunds.....	218	229	228
Less transfer to Highway trust fund.....	2,949	3,212	3,306
Net excise taxes.....	9,585	9,900	10,430
Estate and gift taxes.....			
Less refunds.....	2,035	2,079	2,144
	19	19	19
Net estate and gift taxes.....	2,016	2,060	2,125
Customs.....			
Less refunds.....	1,171	1,307	1,419
	29	29	29
Net customs.....	1,142	1,278	1,390

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts:			
Miscellaneous taxes.....	5	5	5
Seigniorage.....	58	39	49
Bullion charges.....	8	1	1
Fees for permits and licenses:			
Admission permits and fees.....	5	7	7
Business concessions.....	6	6	6
Immigration, passport, and consular fees.....	21	22	23
Patent and copyright fees.....	9	10	10
Registration and filing fees.....	7	5	6
Miscellaneous fees for permits and licenses.....	14	18	23
Total fees for permits and licenses.....	62	68	75
Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, customs, commerce, and antitrust laws.....	4	4	4
Other fines, penalties, and forfeitures.....	7	64	36
Total fines, penalties, and forfeitures.....	11	68	40
Interest:			
Interest on loans to Government-owned enterprises.....	620	631	663
Interest on domestic loans to individuals and private organizations.....	80	92	96
Interest on foreign loans and deferred payments.....	161	138	141
Miscellaneous interest collections.....	16	16	18
Total interest.....	877	877	918
Dividends and other earnings:			
Deposits of earnings, Federal Reserve System.....	718	825	845
Payment equivalent to income taxes.....	15	22	19
Miscellaneous dividends and earnings.....	10	9	9
Total dividends and other earnings.....	743	856	873
Rents:			
Rent of land.....	12	13	15
Rent on Outer Continental Shelf lands.....	6	370	350
Rent of real property, not otherwise classified.....	32	29	29
Rent of equipment and other personal property.....	40	41	41
Total rents.....	89	453	435
Royalties:			
Royalties on Outer Continental Shelf lands.....	6	10	12
Miscellaneous royalties on natural resources.....	115	120	121
Royalties on patents and copyrights.....	*	*	*
Total royalties.....	121	130	133

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Sale of products:			
Sale of timber and other natural land products.....	150	159	178
Sale of minerals and mineral products.....	9	10	10
Sale of power and other utilities.....	173	200	208
Sale of publications and reproductions.....	5	5	6
Sale of miscellaneous products and byproducts.....	5	6	6
Total sale of products.....	342	380	407
Fees and other charges for services and special benefits:			
Fees and other charges for administrative, professional, judicial services.....	15	17	19
Fees and other charges for communication and trans- portation services.....	10	6	3
Charges for subsistence, laundry, and health services.....	4	4	5
Fees and other charges for services provided to the District of Columbia.....	5	6	5
Fees for general governmental services.....	12	15	15
Other fees and charges.....	55	65	70
Total fees and other charges for services and special benefits.....	101	113	117
Sale of Government property:			
Sale of real property.....	63	64	71
Sale of equipment and other personal property.....	180	181	193
Sale of scrap and salvage materials.....	20	50	52
Total sale of Government property.....	263	295	316
Realization upon loans and investments:			
Repayment from States and other public bodies.....	2	469	410
Repayments of domestic loans to individuals and pri- vate organizations.....	154	160	32
Repayment of foreign loans.....	183	367	73
Repayment on miscellaneous recoverable costs.....	13	12	12
Miscellaneous repayments on loans and investments.....	19	19	12
Total realization upon loans and investments.....	371	1,026	539
Recoveries and refunds:			
Recoveries under military occupation.....	1	10	32
Recoveries of excess profits and costs.....	5	6	6
Recoveries under foreign aid programs.....	104	44	52
Refunds of erroneous payments.....	15	10	10
Miscellaneous recoveries and refunds.....	29	29	28
Total recoveries and refunds.....	154	99	128
Gross miscellaneous receipts.....	3,206	4,410	4,036
Less refunds.....	1	2	2
Net miscellaneous receipts.....	3,204	4,408	4,034
Interfund transactions (—).....	—633	—646	—679
Total administrative budget.....	81,409	85,500	86,900

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS			
Employment taxes:			
Federal old-age and survivors insurance trust fund.....	10,730	12,411	14,018
Federal disability insurance trust fund.....	956	1,002	1,040
Railroad retirement account.....	564	580	620
Unemployment trust fund.....	458	953	1,106
Less refunds.....	147	141	154
Net employment taxes.....	12,561	14,805	16,630
Unemployment tax deposits by States:			
Unemployment trust fund.....	2,729	2,775	2,770
Excise taxes:			
Highway trust fund.....	3,080	3,346	3,439
Less refunds.....	131	134	133
Net excise taxes.....	2,949	3,212	3,306
Federal employees and agency payments for retirement:			
Federal employees retirement funds.....	1,756	1,799	1,909
Interest on trust fund investments:			
Federal old-age and survivors insurance trust fund.....	539	516	519
Federal disability insurance trust fund.....	70	69	66
Unemployment trust fund.....	173	196	216
Railroad retirement account.....	107	108	112
Federal employees retirement funds.....	317	349	418
Highway trust fund.....	7	12	4
Veterans life insurance funds.....	210	209	207
Other trust funds.....	10	11	12
Interest on trust fund investments.....	1,433	1,470	1,555
Veterans life insurance premiums etc.:			
Veterans life insurance funds.....	501	516	513
Miscellaneous trust fund receipts:			
Foreign Assistance Act, advances.....	355	568	718
Indian tribal funds.....	81	57	60
District of Columbia.....	324	371	407
Other trust fund receipts.....	2,164	1,781	2,126
Net miscellaneous trust fund receipts.....	2,924	2,777	3,311
Subtotal, trust fund receipts.....	24,853	27,354	29,994
Interfund transactions (—).....	—528	—491	—454
Total trust fund receipts.....	24,325	26,863	29,540

*Less than one-half million dollars.

Note.—Estimates include effect of proposed legislation.

PART 4

THE FEDERAL PROGRAM
BY FUNCTION

ANALYSIS OF FEDERAL ACTIVITIES BY FUNCTION

This section of the budget presents the recommended program for the Government in fiscal year 1964 in greater detail than the budget message. Current activities and proposals for new activities are described in terms of the 12 major functions served, including programs carried out through trust funds as well as those in the regular administrative budget.

Total Federal payments to the public are estimated at \$122.5 billion in the fiscal year 1964. This amount is about 24% greater than the \$98.8 billion total of administrative budget expenditures. Most of the difference between the two totals consists of payments from the trust funds—notably for social security and other retirement benefits, for unemployment compensation, and for grants to States from the highway trust fund. In addition, transactions taking place entirely within the Government are eliminated, and a few other adjustments are made—mainly to place on a cash basis expenditures which are otherwise recorded when accrued or when a debt instrument is issued.

Expenditures devoted to national security needs, to space exploration, and to meeting the continuing costs of past wars amount to 79% of the administrative budget total. The comparable proportion of Federal cash payments is substantially smaller, 63%, because most of the trust fund payments to the public are for other purposes.

National defense, international, and space programs in 1964 will require an estimated \$62.9 billion of Federal cash payments to the public. Veterans benefits and interest, expenditures which stem largely from past wars, are expected to require \$13.7 billion.

The remaining Federal payments to the public, accounting for 37% of the total, are estimated at \$45.8 billion in 1964. Of this amount, \$27.4 billion is for health, labor, and welfare programs, four-fifths of which represents benefit payments under old-age and survivors insurance, unemployment insurance, and the other retirement systems which are financed through trust funds.

For commerce and transportation activities, payments to the public will total \$6.7 billion in 1964, about double the amount recorded in the administrative budget, mainly reflecting the expenditures of the highway trust fund. Payments to the public for housing and community development—including net expenditures of the Federal National Mortgage Association trust fund and of the Federal home loan banks—are estimated at \$1.1 billion in fiscal year 1964 compared to \$0.3 billion in the administrative budget.

Of the \$122.5 billion of Federal cash payments in 1964, \$68.2 billion is for direct purchases of goods and services. This represents the use for public purposes by the Federal Government of between 11 and 12% of the total national output of goods and services. Purchases

for national defense and space amount to between 9 and 10% of national output, and those for other programs to less than 2%.

NATIONAL DEFENSE

The military strength of the United States is the free world's principal bulwark against aggression. Our military forces are mighty, but they must be further strengthened and modernized if we are to be

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Department of Defense—military functions:				
Military personnel:				
Present programs	\$13,032	\$13,100	\$13,370	\$13,235
Proposed legislation to increase military compensation			885	900
Operation and maintenance	11,594	11,500	11,690	11,792
Procurement	14,532	15,521	16,350	16,725
Research, development, test, and evaluation	6,319	6,599	7,120	7,262
Military construction	1,347	1,180	1,170	1,232
Family housing		520	670	734
Civil defense	90	210	210	300
Revolving and management funds	—99	—330	—465	-----
Subtotal	46,815	48,300	51,000	52,181
Military assistance	1,390	1,750	1,450	1,480
Atomic energy	2,806	2,870	2,850	2,893
Defense-related activities:				
Stockpiling of strategic and critical materials	33	27	27	28
Expansion of defense production	11	—3	—1	-----
Selective Service System	35	37	38	38
Emergency preparedness activities:				
Present programs	13	22	39	52
Proposed legislation			30	30
Subtotal, administrative budget	51,103	53,004	55,433	¹ 56,702
Trust Funds:				
Foreign assistance	361	435	571	953
Other	5	5	5	5
Subtotal, trust funds	366	440	576	¹ 958
Intragovernmental transactions and other adjustments (deduct)	7	5	3	
Total	51,462	53,438	56,006	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$52,414 million; 1963, \$54,490 million.
 Trust funds: 1962, \$874 million; 1963, \$866 million.

able to resist any opponent, whatever his choice of weapons. To this end, outlays of \$56.0 billion are proposed for national defense in 1964, an increase of \$2.6 billion over the current year. In addition to the cost of the military functions of the Department of Defense, these estimates include outlays for military assistance to our allies, for atomic energy, and for other activities which directly support the defense effort. Within the total, Department of Defense expenditures are estimated to increase, while expenditures for military assistance and the Atomic Energy Commission are expected to decline in 1964.

Department of Defense—military functions.—Expenditures for our own military forces are estimated at \$51.0 billion in 1964, an increase of \$2.7 billion over the current year. To maintain and improve these forces, the Congress is requested to provide new obligational authority totaling \$52.2 billion compared with the \$50.0 billion estimated for 1963.

The program of the Department of Defense is developed on a long-range basis in terms of the major missions which the military forces of the United States must stand ready to perform. In the following table, the proposed 1964 defense programs are shown in accordance with these basic missions. The figures represent total obligational availability—that is, the total funds planned to be applied in 1964 to each mission, regardless of the year in which the funds are authorized, appropriated, or spent.

SUMMARY OF THE DEPARTMENT OF DEFENSE BUDGET PROGRAM

[Fiscal years. In billions]

Major military programs	Total obligational availability		
	1962 actual	1963 estimate	1964 estimate
Strategic retaliatory forces.....	\$9.0	\$8.5	\$7.3
Continental air and missile defense forces.....	2.1	1.9	2.0
General purpose forces.....	17.5	18.1	19.1
Sealift and airlift.....	1.2	1.4	1.4
Reserve Forces.....	1.8	2.0	2.0
Research and development (not included elsewhere).....	4.3	5.5	5.9
General support.....	12.8	13.7	14.6
Civil defense.....	0.3	0.2	0.3
Proposed legislation: Military compensation increase.....			0.9
Total obligational availability.....	49.2	51.2	53.6
Of which:			
New obligational authority.....	48.2	50.0	52.2
Prior year funds.....	1.0	1.2	1.4

Strategic retaliatory forces.—There will be a further strengthening in 1964 of the strategic retaliatory forces, which include manned strategic bombers, intercontinental ballistic missiles, Polaris submarines, and the communications systems and other facilities needed to assure effective command and control of such forces under all conditions. Nevertheless, total obligational availability for this major program is estimated to decline by \$1.2 billion from 1963, mainly because the Atlas and Titan I missile programs are being completed in 1963, tanker aircraft procurement is being finished early in 1964, and the continued phase-out of the B-47 medium bomber force will result in lower operating costs.

In 1964, procurement of solid-fueled Minuteman missiles and construction of protected and dispersed launching sites will be continued and additional numbers of Titan II and Minuteman missile squadrons will become operational. The program also provides for procurement of 6 more Polaris submarines which, added to the 35 funded through 1963, will give us a total of 41 of these submarines. By the end of 1964, it is estimated that 24 Polaris submarines capable of carrying 384 missiles will be in commission. Development work on improved versions of the Minuteman and Polaris missiles will also be continued.

By the end of 1964, the United States will have over 1,000 strategic bombers, many of which will be equipped with the Hound-Dog air-to-ground missile.

Continental air and missile defense forces.—Total obligational availability needed in 1964 for the various systems which provide warning and defense against attack by missiles or manned aircraft is estimated to rise by \$0.1 billion over 1963. Defense against bomber attack will continue to be provided by manned interceptor aircraft, surface-to-air missiles, and a number of complementary electronic warning and control systems. During 1964, actions will be taken to strengthen the ability of these defenses to operate even after missile attack.

For defense against ballistic missile attack, the Ballistic Missile Early Warning System is capable of providing up to 15 minutes warning of ballistic missile attack. Provision is also made in the research and development program for continued development, on a high-priority basis, of an anti-missile missile system, as well as for the exploration of other possible ballistic missile defenses.

General purpose forces.—Total obligational availability required for those ground, sea, and air forces designed principally for limited war situations is estimated at \$19.1 billion in 1964, \$1.0 billion higher than in 1963. This substantial increase is principally for procurement of the additional modern weapons and equipment needed to improve the

firepower, mobility, and versatility of these forces. Special emphasis is being placed on providing the equipment and supplies for support of sustained conventional warfare operations.

Funds provided in this budget will enable the Army to increase its inventories of a wide range of combat weapons and equipment, including self-propelled artillery, tactical missiles, fixed-wing aircraft, and helicopters. The 1964 program also provides for 15,000 men for the Army to test the concept of an air assault division and other new air units. The Navy portion of the general purpose forces program provides for the construction of 30 new ships, including 6 nuclear-powered attack submarines, modernization and conversion of 34 other ships, and further procurement of missiles and fighter and attack aircraft. Including all of the major programs, the 1964 program provides for 41 new ships and 36 major conversions. For the Marine Corps, the 1964 program will include large numbers of small arms and vehicles together with a variety of other ordnance and electronic items. A substantial number of modern tactical fighter and reconnaissance aircraft will be provided for the Air Force, and further procurement of a wide variety of conventional ordnance is planned. This program also provides for the development of a new high-performance tactical fighter aircraft for the Navy and Air Force.

Sealift and airlift.—The main elements of our sealift and airlift capability are the troop transports, cargo ships, and tankers of the Military Sea Transportation Service; the planes of the Military Air Transport Service; and the troop carrier squadrons of the Air Force. Funds available for these forces in 1964 are estimated at \$1.4 billion, which is about the same as in 1963. During 1964, we will continue to improve our ability to move combat forces quickly to any troubled area of the world, mainly by adding considerably to our airlift capacity. The number of airlift aircraft will be increased and total airlift capability will increase even more as older aircraft are replaced by more modern types. Additional C-130 aircraft will be procured during 1964 and procurement orders for the new C-141 jet transport will continue, although the first deliveries of this aircraft are not expected until 1965.

Reserve forces.—The purpose of reserve components of the Army, Navy, Marine Corps, and Air Force is to augment swiftly the regular active-duty forces in times of special need. The major reorganization of the Army Reserve and Army National Guard now taking place is intended to increase the readiness of these forces and to restructure them in line with modern military concepts.

Total reserve component personnel on paid drill training status on June 30, 1963, are estimated to be 61,383 more than a year earlier, partly because of the return to reserve status of the units called up in

October 1961 in connection with the Berlin crisis. Between June 30, 1963, and June 30, 1964, a further rise of 19,400 is projected.

The paid drill training strength of the Army reserve components authorized and programed for the end of fiscal years 1963 and 1964 is 700,000. However, it is estimated that the strengths which can actually be attained are those shown in the table below, and the funds provided in this budget would support those levels.

RESERVE AND NATIONAL GUARD PERSONNEL

Component	Actual	Estimated	
	June 30, 1962	June 30, 1963	June 30, 1964
Army Reserve and National Guard.....	622,426	650,000	665,400
Naval Reserve.....	111,280	122,000	126,000
Marine Corps Reserve.....	46,648	45,500	45,500
Air Force Reserve and Air National Guard.....	108,763	133,000	133,000
Total.....	889,117	950,500	969,900

Research and development.—This major program category includes all research and development projects not included in the other major military programs. When a decision is made to go ahead with production of a weapons system still under development, the financing of the further development of that system is shifted to the appropriate mission-oriented major program.

Total obligational availability proposed for research and development in 1964 is \$0.4 billion greater than in 1963. This increase will be used for basic and applied scientific research, testing at national missile ranges, and numerous development projects. Included in the proposed 1964 program are continued work on a large general purpose booster rocket for the national space program, ballistic missile defense systems, a variety of antisubmarine warfare projects, an improved tactical surface-to-surface missile, the Defense Communications Satellite program, and the Mobile Mid-Range Ballistic Missile.

General support.—Included under this heading are most of the operational activities, such as: training, intelligence and security, and logistics systems; supplies, facilities, and services provided by the Services in support of their own military missions; and also the costs of operating various Defensewide agencies, such as the Defense Supply Agency. In addition, the program includes the benefits customarily provided for the well-being of military personnel and their dependents, such as housing, medical care, community services, welfare, and recreation.

The total obligational availability needed in 1964 is estimated at \$14.6 billion, an increase of \$0.9 billion over 1963, mainly because of higher costs of training, communications, and logistic support systems, civilian pay reforms, and an increase in the number of retired military personnel. The increase would have been considerably larger had it not been for the vigorous cost reduction program of the Department of Defense. For this fiscal year alone, economies already made in defense logistical operations—through careful procurement and through integration and standardization—will produce savings of \$750 million in this and the other major military programs.

Civil defense.—The 1964 program is aimed at providing fallout protection shelters in such facilities as public buildings, schools, hospitals, and community libraries; and constructing protected regional centers for emergency governmental operations. Legislation to accomplish these purposes will be recommended to the Congress. Total obligational availability of \$0.3 billion is proposed for civil defense in 1964, \$0.1 billion more than the amount estimated for 1963. The 1964 program also provides for: the continuation of work on systems to warn and alert the population of any attack on the United States, improved radiological monitoring and instrumentation, training and education for emergency preparedness, financial assistance to State and local governments, and research and development.

Fallout shelter space for over 100 million people has been identified in buildings covered by surveys to date. Shelters for an estimated 70 to 80 million persons will be marked and stocked. Procurement from existing funds will accommodate about 47 million people with food, water, and medical and sanitation kits. In order to carry forward the program of stocking shelters already identified and marked, a 1963 supplemental appropriation of \$62 million is being requested.

Proposed legislation.—This budget includes \$900 million of new obligational authority to finance the 1964 cost of proposed increases in compensation rates for active and retired military personnel and voluntary reservists on the assumption that the recommended legislation will be enacted in time to be effective October 1, 1963. Expenditures in fiscal year 1964 under this recommendation are estimated at \$885 million.

As an added measure to attract and retain qualified officer personnel, legislation is being recommended to modernize and provide greater uniformity in the personnel statutes of the military services governing various phases of officer career management, including appointment, promotion, separation, and retirement policies.

The Congress will also be asked to extend until July 1, 1967, the induction and related authority of the Universal Military Training and Service Act, which will otherwise expire on June 30 of this year.

Personnel strength and force structure.—The estimated strength and composition of the Active Forces at the end of fiscal year 1964 compared with the two preceding years are shown in the following table.

SUMMARY OF COMPOSITION OF MAJOR ACTIVE ARMED FORCES

Description	Actual	Estimated	
	June 30, 1962	June 30, 1963	June 30, 1964
Military personnel (in thousands):			
Army.....	1,066	980	975
Navy.....	666	664	670
Marine Corps.....	191	190	190
Air Force.....	883	869	860
Total, Department of Defense.....	2,806	2,703	2,695
Military forces:			
Army:			
Divisions.....	^a 16	16	16
Armored cavalry regiments.....	5	4	4
Brigades.....	1	5	8
Battle groups (infantry).....	9	8	-----
Missile commands.....	3	2	2
Special forces groups.....	4	6	6
Missile battalions.....	95¼	97¼	82¼
Aircraft inventory—active.....	5,648	6,065	6,373
Navy:			
Commissioned ships in fleet.....	(900)	(859)	(873)
Warships.....	397	384	395
Other.....	503	475	478
Carrier air groups.....	30	28	28
Patrol and warning squadrons.....	53	35	35
Marine divisions.....	3	3	3
Marine air wings.....	3	3	3
Aircraft inventory—active.....	9,176	8,807	8,860
Air Force:			
USAF combat wings.....	97	87	88
USAF combat support flying forces (squadrons).....	141	133	135
Aircraft inventory—active.....	16,591	15,567	15,446

^a Excludes two National Guard divisions in active status.

Military assistance.—Our military planning continues to be firmly based on the principle of the collective defense of the free world. Through the military assistance program, support is being provided for the efforts of more than 60 nations to develop their individual and collective defense capabilities. New obligational authority of \$1,480 million is recommended for 1964 to provide the training and equipment necessary to maintain and selectively modernize the forces of these

countries. Expenditures for military assistance in 1964 will be \$300 million lower than in 1963, when a high level of deliveries of supplies and equipment is expected.

The 1964 program recognizes the continuing need to support effective forces in nations facing Communist subversion or external aggression. Individually, and as components of mutual defense organizations, such forces are vital to the security of the free world.

Most of the Western European nations in the North Atlantic Treaty Organization now provide full financial support for their own military forces. The military assistance provided for these countries fulfills only prior U.S. commitments. Emphasis in military assistance is therefore shifting to the less developed nations, where more attention is being placed on building up units trained and equipped to maintain internal security and to contribute constructively to local development.

Atomic energy activities.—Expenditures by the Atomic Energy Commission in 1964 are estimated to be \$2,850 million, down \$20 million from 1963. Activity will increase substantially in a number of programs, but the increases will be more than offset by a reduction of \$149 million in the procurement of uranium concentrates.

Nuclear weapons and other military activities.—Expenditures for the development and production of nuclear weapons will rise slightly in 1964, but this increase will be more than offset by a reduction in the level of effort on full-scale weapons testing. The budget assumes fewer underground tests than in 1963. A capability for resuming atmospheric testing will be maintained.

Work will continue on improving nuclear propulsion reactors for ships and submarines of the Navy. In 1964, the development of a full scale experimental reactor for application to a nuclear ramjet propulsion system is expected to be completed. Further work on specific applications will await completion of studies of the nonnuclear problems involved and of potential military uses. Emphasis will be given to the development of a compact mobile power reactor for use by our military ground forces.

Peaceful uses of atomic energy.—A substantial and increasing effort is planned for 1964 to foster the use of nuclear energy in the exploration of outer space. In cooperation with the National Aeronautics and Space Administration, emphasis will be given to the development of a nuclear-powered rocket (Rover). Work will be intensified on the development of a variety of compact nuclear electric power units with varying power outputs for satellites and space vehicles (SNAP program).

Expenditures in 1964 for the development of economic civilian nuclear power are estimated at \$244 million, an increase of \$34 million over 1963. In line with the Commission's recent Report to the President on Civilian Nuclear Power, increasing emphasis will be placed on reactors which produce more fuel than they consume ("breeders"). Breeders will be necessary if nuclear energy is to make a significant contribution to the national power supply in the long run, and a new experimental facility will be built in pursuit of this objective. Similarly, funds are requested to secure construction, in cooperation with the utility industry, of a prototype reactor (known as spectral shift) of substantial size which promises to be an attractive approach to nuclear power in the shorter term.

In 1964 substantially increased effort will be devoted to developing uses of radioactive isotopes, including work on "pasteurization" of food by radiation and the development of radioisotopic fuels useful in the space program. Efforts will also be intensified on the peaceful applications of nuclear explosives (Project Plowshare), with particular emphasis on developing techniques for large scale earth moving.

The Atomic Energy Commission's program of basic research in the physical and life sciences will continue to grow in 1964, with additional emphasis on studies in high energy physics, low energy physics, chemistry, and metallurgy. By the end of fiscal year 1964, the AEC's group of multi-billion electron-volt particle accelerators will number 8 machines and will constitute the world's finest array of high energy physics facilities. At the Brookhaven National Laboratory, construction will begin on a particle accelerator (known as a double emperor Van de Graaff) which promises to be the most advanced instrument in the world for research in low energy physics. Research activities in the life sciences will also continue to expand with increased emphasis on achieving an understanding of the effects of radiation on molecular and cellular structures.

Defense-related activities.—Budget expenditures are expected to rise by \$50 million in 1964 for various defense-related activities, almost entirely due to increases in the emergency preparedness programs of agencies other than the Department of Defense. Of the increase, \$30 million is for legislation being proposed to authorize the Secretary of Agriculture to provide for the stockpiling, storage, and distribution of essential foodstuffs to meet civil defense needs. Expenditures will also increase for the procurement of emergency medical supplies by the Public Health Service.

Legislation should be enacted to provide for more efficient management of strategic stockpile inventories, to revise disposal procedures, and to waive requirements for interest payments on certain previous investments in defense production programs.

INTERNATIONAL AFFAIRS AND FINANCE

The nonmilitary international activities of the United States Government are closely interrelated with our national security strategy and fulfill various purposes vital to world peace and stability. Their aim is to enhance our national security by fostering closer and mutually beneficial relationships with other nations, by helping the less developed areas of the world in their efforts to improve the lives of their people, by providing the world community with information

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Economic and financial programs:				
Agency for International Development:				
Development loans.....	\$347	\$625	\$704	\$1,248
Development grants.....	272	244	270	277
Alliance for Progress.....	155	280	401	900
Supporting assistance.....	618	500	420	397
Contingencies and other.....	445	451	506	643
Subtotal.....	1,836	2,100	2,300	3,465
International financial institutions.....	172	122	112	112
Peace Corps.....	11	47	80	108
Export-Import Bank.....	101	-224	-647	
Food for Peace (Public Law 480, title II).....	242	195	246	215
Other.....	9	22	26	28
Foreign information and exchange activities:				
U.S. Information Agency.....	148	161	177	217
Department of State.....	48	56	59	63
Conduct of foreign affairs:				
Department of State.....	245	367	274	286
U.S. Arms Control and Disarmament Agency.....	1	5	12	15
Tariff Commission.....	3	3	3	3
Foreign Claims Settlement Commission.....	1	21	37	2
Subtotal, administrative budget.....	2,817	2,874	2,679	1 4,514
Trust Funds	15	47	123	1 59
Adjustment for net cash withdrawals by international financial institutions; intragovernmental and other transactions (deduct).....	341	454	58	
Total	2,492	2,467	2,743	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$3,373 million; 1963, \$7,701 million.
 Trust funds: 1962, \$6 million; 1963, \$37 million.

about this country and its objectives, by participating in cultural and educational interchanges, and by increasing world trade.

Expenditures in the administrative budget for international affairs and finance are estimated to decline by \$195 million in fiscal year 1964. This reduction results from expected decreases in net expenditures of the Export-Import Bank and the Department of State, which more than offset estimated increases, mainly for the economic programs of the Agency for International Development. Total payments to the public in 1964 for international programs are estimated to rise by \$276 million, however, as a result of increased expenditures by the alien property and war claims trust funds and smaller net cash repayments to the Treasury by international financial institutions in exchange for non-interest-bearing notes.

A continued high level of new obligational authority will be required to support the worldwide responsibilities of the United States. The \$4.5 billion requested for 1964 is \$0.8 billion more than the current estimate for 1963, excluding the special nonrecurring 1963 authorizations of \$2 billion for loans to the International Monetary Fund, already enacted, and of \$2 billion now being requested for the Export-Import Bank.

Agency for International Development.—The major portion of our total economic and financial programs in developing nations is provided through the Agency for International Development. In working with these nations, this country is making a material contribution to a stable and peaceful future by helping to alleviate the extreme poverty and social unrest which beset millions of people. Expenditures in 1964 for the economic activities of AID are estimated to be \$200 million greater than in 1963, with the principal increase for the Alliance for Progress and a decrease in supporting assistance. Efforts will be continued and intensified to encourage other developed countries of the free world to increase further their assistance to the developing nations.

In allocating economic development funds, continued emphasis is being given to the formulation of long-range plans and programs for each country as guides for channeling resources into those efforts which will yield the greatest benefits. Economic and social development cannot depend simply on aid from outside, but must rest primarily on efforts within the countries involved. Continuing stress is, therefore, being placed on encouraging recipient countries to support development plans and programs through self-help measures, such as fiscal and agrarian reform, even when such measures involve short-run difficulties.

The following table summarizes the foreign assistance program. The military portion of this program was discussed in connection with our national defense effort earlier in this section of the budget.

FOREIGN ASSISTANCE PROGRAM

[Fiscal years. In millions]

Program	Expenditures			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Military.....	\$1,390	\$1,750	\$1,450	\$1,480
Economic.....	1,836	2,100	2,300	3,465
Total.....	3,226	3,850	3,750	14,945

¹ Compares with new obligational authority of \$3,915 million enacted for 1962 and \$3,929 million enacted for 1963.

Development loans and grants.—Long-term loans repayable in dollars at very low rates of interest constitute the most important single method by which the United States helps developing countries. Expenditures for such loans are expected to increase by \$79 million in 1964, mainly as a result of commitments made in prior years.

Long-term loans are the mainstay of our development effort. However, it is also necessary to make grants to help improve human skills by creating or strengthening training and other institutions so that people in developing countries can use their resources more effectively. To this end, expenditures of \$270 million will be made in 1964 for development grants. These grants will be used primarily to foster the advancement of education, health, and other technical skills.

Alliance for Progress.—Not quite a year and a half has elapsed since the formal inauguration of the Alliance for Progress, a cooperative effort to expedite social and economic development in Latin America. The rate at which U.S. resources are made available for this effort must, of course, take into account progress made in the Latin American countries, particularly in the areas of national planning and economic and social reforms.

The measures to achieve such progress are essential to the success of the Alliance. It is expected that their rate of execution will permit the United States to provide more than \$1 billion to Latin America in 1964 in total loans and grants from AID, U.S. funds administered by the Inter-American Development Bank, the Export-Import Bank, and the Food for Peace program. To this end, the budget provides for a proposed increase of \$100 million in the present \$600 million authorization for Alliance for Progress funds for 1964, to permit additional loans and grants. An appropriation of \$200 million is also requested to replenish the Social Progress Trust Fund administered by the Inter-

American Development Bank, which is expected to be fully committed during fiscal year 1963.

Other AID programs.—Expenditures for supporting assistance are estimated to decline by \$80 million in 1964 as a higher proportion of the economic activities of AID is channelled through development loans and grants. However, supporting assistance continues to be made available to countries which need help to maintain economic and political stability, support extraordinary defense forces, and preserve economic independence. Such aid is also sometimes granted in connection with U.S. bases overseas.

The United States plans to continue to participate in 1964 in a number of international efforts which receive substantial support in the form of voluntary contributions. These include such programs as the United Nations Special Fund and Technical Assistance program, United Nations operations in the Congo, and the Indus Basin development program administered by the International Bank for Reconstruction and Development.

Other economic and financial programs.—Additional funds are needed in order for the Export-Import Bank to continue filling its important role of financing U.S. exports, many of which go to underdeveloped areas. Accordingly, this budget assumes prompt enactment in 1963 of a requested increase of \$2 billion in the Bank's resources. This amount should be adequate to cover requirements for several years to come. During the past year, an increasing volume of loans has been guaranteed under new export financing programs providing both credit and political risk coverage. It is anticipated that these successful programs will continue to expand in the future. The net expenditures of the Bank are estimated to decline substantially in 1964, largely as a result of increased receipts from the planned sale of loans to private investors and from increased repayments of outstanding loans.

This budget provides \$62 million for the fourth installment on our subscription to the International Development Association and for legislation to authorize a payment of \$50 million as the U.S. share in 1964 of an increase—now being negotiated—in the resources of the Fund for Special Operations of the Inter-American Development Bank.

Subject to negotiations with other member countries, the Congress will also be asked to authorize participation by the United States in enlarging the capital of the International Development Association and the ordinary resources of the Inter-American Development Bank, in order to continue the important work of these institutions in providing loans and technical assistance to developing nations.

In recognition of the growing overseas demand for the services of Peace Corps volunteers, the number of volunteers to be financed in 1964 is expected to increase from 9,000 to 13,000. Most of the new volunteers will be sent to Latin America and Africa.

Grants of surplus agricultural commodities under the Food for Peace program are distributed for disaster relief and are also made available to support economic development projects. The program provides bread and milk to millions of school children around the world and makes possible more adequate diets for workers on development projects.

Foreign information and exchange activities.—The 1964 recommendations in this budget will enable the U.S. Information Agency significantly to expand and improve its television and radio programming, its motion picture activities, and its book translation programs in order to reach larger audiences abroad, particularly among students and other young people. Increased efforts will be devoted to activities in Latin America and Africa, where eight new branch posts and eight reading rooms are planned for 1964. Further modernization and expansion of Voice of America radio facilities in several areas are also planned, and assistance will be provided for American participation in the international art exhibit in São Paulo, Brazil, in December 1963.

The Department of State is continuing to expand and improve its educational and cultural exchange activities under the Mutual Educational and Cultural Exchange Act enacted in 1961. New international exchange agreements are being negotiated to reflect the broadened activities authorized by the act. Exchanges of persons will be increased in 1964, especially with Latin America and Africa.

Conduct of foreign affairs.—A reduction in the total expenditures of the Department of State is estimated in fiscal year 1964, primarily because of a nonrecurring loan to the United Nations made in 1963. Within the total, increases are requested to strengthen the Foreign Service, including provision for acquisition and construction of necessary office and housing facilities, for which authorizing legislation is being requested. To heighten the competence of Americans who will serve abroad as well as to expand our knowledge in critical areas of international relations, legislation is being recommended to authorize the early establishment of a National Academy of Foreign Affairs. In addition, active consideration is being given to the report of the Committee on Foreign Affairs Personnel which recommends significant measures to strengthen our overseas services.

Amounts are included in the budget to pay the costs of U.S. membership in the United Nations, the Organization of American

States, and other international organizations having programs promoting economic development, social progress, and political stability. Provision is also made to meet our share of the cost of multilateral peace and security operations carried out by the United Nations.

The U.S. Arms Control and Disarmament Agency, currently in its first full fiscal year of operation, will expand its staff and its contract research program in 1964. Emphasis will continue to be given to technical research and to the formulation and representation of U.S. positions at international meetings. To replace the present limitation of \$10 million on the funds which can be spent by the Agency, indefinite authorization is being sought and an appropriation of \$15 million is requested in this budget for 1964.

SPACE RESEARCH AND TECHNOLOGY

The space programs of the National Aeronautics and Space Administration will continue to expand as this Nation strives to maintain a position of world leadership in the exploration and utilization of space. These programs include: (1) the development of manned space vehicles, facilities, and techniques, with special emphasis on achieving a manned lunar landing by the end of this decade; (2) the exploration of space by unmanned spacecraft using satellites in orbit around the earth and spacecraft which probe the moon and planets; (3) the development of meteorological and communication satellites; and (4) the advancement of basic research and technological development on which both our aeronautical and space efforts depend.

Expenditures for the National Aeronautics and Space Administration's programs are estimated at \$4.2 billion during 1964, which is \$1.8 billion more than in 1963, and more than triple the amount spent in 1962. Appropriations of \$5.7 billion are recommended in this budget for 1964, compared with \$3.7 billion in 1963.

SPACE RESEARCH AND TECHNOLOGY

[Fiscal years. In millions]

Program	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Manned space flight.....	\$547	\$1,376	\$2,713	\$3,758
Unmanned investigations in space.....	337	441	593	780
Meteorology, communications, and other space applications.....	61	82	124	141
Other research, technology, and supporting operations.....	312	501	770	1,033
Total.....	1,257	2,400	4,200	5,712

¹ Compares with new obligational authority of \$1,825 million enacted for 1962, and \$3,673 million enacted for 1963.

Manned space flight.—Funds are recommended in this budget to move forward, as a matter of top priority, the vast effort required for a manned lunar landing. The method selected for accomplishing the first manned lunar landing is lunar orbit rendezvous. This method consists of placing an Apollo spacecraft in orbit around the moon, from which a 2-man module is dispatched to the surface of the moon. Funds during the current and coming years provide for experiments with Gemini flights (the 2-man spacecraft for earth orbital flights which is the next step after the Mercury program), for continuing the development of the Apollo spacecraft, and for beginning the development of the lunar excursion module.

The development of large launch vehicles continues at a rapid rate, as indicated by the three successful flights of the first stage of the Saturn which have been made to date. The even more powerful Advanced Saturn is to put the Apollo spacecraft, including the lunar excursion module, into orbit around the moon, thereby accomplishing the manned lunar landing mission with a single launch from the earth.

Unmanned investigations in space.—The 1964 budget provides for continued unmanned space explorations, from which so much has been learned about the earth and surrounding space. Experiments will be conducted primarily by means of large versatile satellites capable of extended investigations of geophysical and astronomical phenomena, from which much information can be obtained with relatively few launchings. Unmanned lunar exploration will be continued with the Ranger spacecraft, and development will continue on the more complex Surveyor spacecraft which will be capable of either orbiting or landing on the moon. The lunar explorations, in addition to having intrinsic scientific value, are required in preparation for manned lunar landing.

A Mariner spacecraft launched August 27 passed within approximately 21,000 miles of Venus on December 14. Continuous contact was maintained with the spacecraft throughout its 109-day flight of over 182 million miles to its point of closest approach to Venus, and much new and valuable scientific data was received. Development of larger Mariner-type spacecraft for future planetary explorations is being undertaken with funds included in this budget.

Meteorology, communications, and other space applications.—The meteorological satellite program, in which six Tiros weather observation satellites have been launched to date, has been one of our most successful flight programs. The Tiros series will be continued until the potentially more effective Nimbus satellites, now being developed, can take over the weather observation role.

Progress is being made toward the realization of worldwide communications by satellite. Tests with the medium altitude Relay satellite, providing television and telephone transmission, will be continued. In 1964, efforts will be concentrated on the development of high altitude synchronous orbit communications satellites, which involve placing communications satellites in the precise high altitude orbit at which their orbiting speeds exactly equal the earth's rotation speed. If successful, satellites of this type may provide the most useful and economical worldwide satellite communications system.

Under a recent agreement, the United States and the Soviet Union will cooperate in a number of space programs, including experiments with weather satellites and mapping the earth's geomagnetic fields.

Other research, technology, and supporting operations.—Expenditures for research and development in aeronautical and space technology and the necessary supporting operations will increase in 1964. Such programs include research and development in the wide range of technical fields on which progress in space activities depends, the operation of a worldwide system of tracking stations, and special efforts to expand and improve the capabilities of colleges and universities in scientific and technical fields related to space.

AGRICULTURE AND AGRICULTURAL RESOURCES

Agricultural productivity has increased rapidly in recent years, helping to contribute to the Nation's capacity for economic growth. But the economy has not been able to benefit fully from this increased productive efficiency, mainly because needed adjustments in resources devoted to agricultural production have lagged behind the continuing increase in agricultural productivity. The resulting chronic excess productive capacity in agriculture has tended to create surpluses which have been harmful to many segments of the farm community.

A part of the excess production has been advantageously used to raise the level of living of our low-income families and to provide assistance to people of other nations, but our surpluses continue to hold down farm incomes and keep budgetary costs high. While the Food and Agriculture Act of 1962 provided additional tools with which to attack this complex problem, further farm legislation is needed and will be proposed to the Congress early in this session.

Total payments to the public for agricultural programs in 1964 are estimated at \$5.8 billion, down \$1.1 billion from 1963. The reduction results mainly from anticipated substantial sales by the Commodity Credit Corporation in fiscal 1964 of cotton expected to be placed under price support in fiscal 1963.

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Farm income stabilization and Food for Peace:				
Price support, supply, and purchase programs.....	\$2,051	\$2,853	\$1,808	\$2,799
National Wool Act.....	65	63	106	69
Food for Peace (Public Law 480, titles I and IV).....	1,484	1,460	1,570	2,039
International Wheat Agreement.....	90	78	72	92
Transfer of commodities to supplemental stockpile.....	193	86	62	83
Removal of surplus agricultural commodities (excluding food stamp program).....	201	174	173	282
Food stamp program:				
Present programs.....	14	51	27	26
Proposed legislation.....			24	25
Conservation reserve and land-use adjustment programs.....	344	314	321	321
Sugar Act.....	80	82	84	80
Other.....	67	96	120	122
Subtotal.....	4,591	5,256	4,367	5,939
Financing rural electrification and rural telephones:				
Present programs.....	303	340	421	506
Proposed legislation.....			-151	-151
Financing farming and rural housing:				
Farmers Home Administration:				
Present programs.....	240	322	174	47
Proposed legislation.....			55	105
Farm Credit Administration.....	-6	-2	2	3
Agricultural land and water resources:				
Soil Conservation Service.....	157	183	199	210
Agricultural conservation program (including CCC loan).....	260	223	209	220
Other.....	9	8	5	
Research and other agricultural services.....	341	401	415	410
Subtotal, administrative budget.....	5,895	6,731	5,696	17,289
Trust Funds (mainly federally sponsored farm-credit institutions)				
	432	425	392	126
Intragovernmental transactions and other adjustments (deduct)				
	350	326	324	
Total.....	5,977	6,830	5,764	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$6,383 million; 1963, \$5,814 million.
 Trust funds: 1962, \$24 million; 1963, \$25 million.

Farm income stabilization and Food for Peace.—A review made of present farm income support programs following enactment of the Food and Agriculture Act of 1962 has emphasized the need for revisions with respect to at least three major types of commodities—dairy products, feed grains, and cotton.

At the current mandatory minimum dairy support level of 75 percent of parity, it now appears that dairy farmers, in the absence of a program to adjust production, will continue to produce substantially more dairy products than can be sold through regular commercial channels at that price level. Without remedial legislation, therefore, budgetary costs of the dairy program in 1964 are likely to continue at the high level estimated for 1963.

The voluntary feed grain program, based on legislation first enacted in 1961 and subsequently extended on a year-to-year basis, has reversed the progressive rise of feed grain stocks of the 1950's. By October 1, 1963, total feed grain stocks are expected to be down 28 million tons, or about one-third, from their peak level of almost 85 million tons 2 years earlier. These gains would be held and further improvements realized under new feed grain legislation which will be proposed to the Congress.

Cotton legislation is needed not only to make raw cotton available to domestic mills on a basis that will enable them to compete with foreign mills, but also to make certain basic improvements in the price support program for cotton.

Detailed legislative proposals aimed at improving our programs covering these three commodity groups will be transmitted to the Congress later.

Under the Food for Peace program, food is made available for use abroad for economic development and to meet the most urgent needs of hungry people. The program also helps reduce our abundant stocks of agricultural commodities and promotes new export markets for these commodities. The major portion of the Food for Peace program is carried out under title I of Public Law 480 (the Agricultural Trade Development and Assistance Act), which provides for sales of surplus farm commodities abroad for foreign currencies, and under title IV of that act, which provides for sales abroad on long-term dollar credit. These activities are expected to continue in 1964 at about the same level as in 1963.

The pilot food stamp program, which has been financed under the appropriation for the removal of surplus agricultural commodities, is being expanded in the current fiscal year. By June 30, 1963, it is expected to be in operation in 44 counties and 3 large cities in 23 States. This program has helped improve the diets of needy families, and legislation to provide continuing authority is being

proposed. The 1964 budget includes expenditures of \$51 million to continue this program at the same level as in 1963.

Rental contracts on a substantial volume of crop land that was placed in the conservation reserve (CRP) in the period 1956-60 will expire during the fiscal year 1964. Under the Food and Agriculture Act of 1962, the Secretary of Agriculture is authorized to undertake a land-use adjustment program to hold much of the CRP land out of agricultural production and to initiate a pilot program to divert other land from production. This budget includes expenditures of \$27 million for this purpose in 1964.

Financing rural electrification and rural telephones.—The funds requested in this budget for the Rural Electrification Administration will permit loan commitments of \$350 million for the electrification program and \$95 million for the telephone program in 1964. The amount requested also includes \$75 million to be available on a standby basis for use, if the need should arise, to make generation and transmission loans to rural electric cooperatives that are unable to secure adequate supplies of power from private companies at reasonable rates.

Payments under the electrification and telephone loan programs are estimated at \$421 million in 1964, as compared with \$340 million in 1963 and \$303 million in 1962. Budget expenditures for these programs in 1964, however, will be \$270 million, reflecting proposed legislation to authorize the use of collections on outstanding electrification and telephone loans to help finance new loans; these collections are estimated at \$151 million in 1964.

Financing farming and rural housing.—Legislation enacted by the last session of the Congress broadened the loan authority of the Farmers Home Administration by adding specific authority for financing several new activities, including rural housing for the elderly, rural renewal, and recreational facilities. The 1963 estimates in this budget include a proposed supplemental appropriation of \$5 million to provide loans for nonprofit rental housing for the elderly. This budget further provides for \$10 million in expenditures in 1964 to start financing other new activities through direct real estate loans. These increases are more than offset by reduced expenditures for direct loans under the older rural housing program. Provision is made for \$50 million for direct building loans under this program in 1964, \$132 million less than in 1963. This reduction assumes the early enactment of legislation being proposed to shift the housing loan program from direct to insured loans.

Rural areas development and renewal programs.—As the number of farms continues to decline and the number of workers needed to

produce farm commodities is reduced, many rural communities are faced with excess manpower and underemployment. While an improved level of national economic activity generally can do much to relieve underemployment in such rural areas, local community efforts supplemented by Federal and State support can also contribute significantly to a solution of this problem.

The rural areas development program, which complements the activities of the Area Redevelopment Administration of the Department of Commerce, is designed to speed up economic development in rural areas, particularly those suffering from low income and heavy underemployment. This program enlists the services of the several agencies of the Department of Agriculture and other Federal departments, in cooperation with State and local governments and private groups, in the furtherance of its broad objectives.

The rural renewal program, authorized by the last Congress, is designed to develop methods to increase economic growth and income in depressed rural areas. To promote this objective, the Department of Agriculture plans to use various approaches, such as providing loans and technical assistance to local communities, as well as offering coordinating services and stimulating greater local efforts. This budget includes \$2 million in expenditures for an experimental program on a limited basis in 1964.

Agricultural land and water resources.—The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to make loans and grants to rural communities to promote conservation and development of land and water resources on an area-wide basis. The 1964 budget includes \$3 million in expenditures for the Soil Conservation Service to start this new program. The budget also provides for continuing work on going projects under the upstream watershed protection program and for beginning construction on 36 new projects in 1964. Expenditures for this program are estimated at \$60 million in 1964 compared with \$53 million in 1963. A small increase in expenditures is estimated for regular conservation operations of the Soil Conservation Service, including provision for the staffing of about 30 new conservation districts.

Expenditures in 1964 under the agricultural conservation program are estimated at \$209 million, based on the \$250 million authorized in advance by the Congress for the 1963 program year. This budget proposes an advance authorization of \$150 million for the 1964 program year—a level which will permit the Government to continue to share with farmers the cost of a substantial number of those types of conservation practices that are in the long-run public interest.

Research and other agricultural services.—This budget proposes a moderate increase in 1964 expenditures to carry on such activities

as a comprehensive food consumption survey, hog cholera eradication, meat inspection, and payments to the States for cooperative extension work and for experiment stations.

NATURAL RESOURCES

The present and future economic growth of the Nation and the general well-being of our people require prudent conservation and development of our natural resources. Estimated payments to the public of \$2.6 billion in 1964 will provide for further strengthening of natural resource programs.

Land and water resources.—A large part of the \$1.8 billion of estimated 1964 expenditures for land and water resources represents an investment in assets that will yield benefits for years to come. Most of these expenditures will be for continuing construction of projects for flood control, navigation, irrigation, water supply, hydroelectric power, and related recreational and fish and wildlife development. Appropriations of \$16 million are requested for 1964 to enable the Corps of Engineers to initiate construction of 32 projects with an estimated total Federal cost of \$348 million. Appropriations of \$8 million are included for the Bureau of Reclamation to start eight new projects (including one small project loan) estimated to cost \$285 million in total.

Within the funds proposed for water resources investigations in 1964, major emphasis is being given to coordinated planning of river-basin development by the Corps of Engineers and the Departments of the Interior, Agriculture, and Health, Education, and Welfare. Planning already begun will be continued, and new comprehensive studies will be undertaken in several major river basins including the Missouri and Colorado Basins. In addition, legislation is again being recommended to promote comprehensive, coordinated water resources planning by Federal and State agencies and to authorize limited Federal grants to strengthen State planning.

A coordinated program of water resources research will also be carried on in 1964 by the several Federal agencies which engage in such research. This program was developed with the assistance of the recently established Office of Science and Technology. It would be given new impetus by the enactment of legislation being recommended to provide a new program of grants to colleges and universities to stimulate research in the field of water resources. Basic research on ways of reducing the cost of converting saline water to fresh water will be given continued emphasis.

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Land and water resources:				
Corps of Engineers.....	\$947	\$1,045	\$1,075	\$1,087
Department of the Interior:				
Bureau of Reclamation.....	332	338	360	380
Power marketing agencies.....	35	40	50	85
Bureau of Indian Affairs.....	76	106	112	122
Bureau of Land Management.....	44	53	56	62
Office of Saline Water.....	4	9	12	12
Tennessee Valley Authority.....	103	70	59	44
Federal Power Commission.....	9	11	13	13
International Boundary and Water Commission and other.....	12	19	13	12
Subtotal.....	1,564	1,691	1,750	1,817
Forest resources:				
Forest Service.....	266	303	311	329
Bureau of Land Management.....	15	16	15	15
Recreational resources:				
Present programs.....	94	114	127	140
Proposed legislation.....			8	25
Fish and wildlife resources:	81	97	108	112
Mineral resources:				
Bureau of Land Management.....	39	46	46	46
Bureau of Mines and other.....	29	39	61	63
General resource surveys and administration.....	60	73	76	81
Subtotal, administrative budget.....	2,147	2,380	2,503	¹ 2,628
Trust Funds:				
Indian tribal funds.....	64	63	74	60
Other.....	48	59	51	51
Subtotal, trust funds.....	112	122	126	¹ 111
Intragovernmental transactions and other adjustments (deduct).....	36	23	33	
Total.....	2,223	2,479	2,596	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$2,160 million; 1963, \$2,436 million.
 Trust funds: 1962, \$134 million; 1963, \$118 million.

The estimates for 1964 provide for improvements in the Federal power-transmission systems in the Missouri and Colorado River Basins. Funds are also included in this budget for the construction of extra-high-voltage interconnections of the electric power systems of the Pacific Northwest and Pacific Southwest. These interconnections will permit the sale and exchange of power between California and the Pacific Northwest, resulting in economies to both regions. Prompt action is expected on legislation proposed last year and approved by the Senate to reserve necessary power supplies for the Pacific Northwest. The Department of the Interior will continue its studies of other possible interconnections and cooperative pooling of electric power, Federal and non-Federal, for the purpose of providing better electric power service.

The Federal Power Commission will complete in 1964 the national power survey it has undertaken, with the objective of providing a broad perspective in planning for future power supplies; making the fullest possible use of the Nation's resources in fuel, equipment, and technology; and encouraging electric power suppliers, both public and private, to coordinate their expansion and interconnection programs.

Appropriations of \$4 million are requested for 1964 for the Tennessee Valley Authority to initiate construction of a new navigation lock and a flood control project; these two new projects are estimated to cost \$25 million in total. The TVA will continue in 1964 the construction of steam-electric power units started in prior years to meet its responsibility for providing electric power in the Tennessee Valley power area. These units will be financed with proceeds from the sale of electric power and with funds borrowed from the public and the Treasury. TVA has completed an agreement with adjacent private utility companies for the seasonal exchange of large blocks of power which will result in savings to both the TVA and private systems.

Indian resources.—Programs designed to raise the level of educational achievement and the standard of living of Indians will be expanded with funds included in the 1964 budget. The amount recommended will permit construction of the schools needed to provide classrooms for all Indian children of school age not now in school. Appropriations of \$1.8 million are requested for 1964 to start construction of the Navajo Indian irrigation project with a total cost to completion of \$135 million.

Forest resources.—The budget provides for the essential management and protection of our forest resources on Federal lands. Increased expenditures are anticipated in 1964 to cover costs related to planned increases in Federal timber sales and the construction of additional access roads in timber areas. The increased timber sales

will assist the Pacific Northwest lumber industry by making available to the industry more timber for processing and will result in increased Federal revenues which are shared with States and counties.

Recreational resources.—Following the recommendations of the Outdoor Recreation Resources Review Commission, the Bureau of Outdoor Recreation was established last year in the Department of the Interior to facilitate coordination of Federal outdoor recreation programs and to help the States in providing outdoor recreational opportunities for the public. Legislation is again recommended to equip the Federal Government to meet its share of the responsibility for providing outdoor recreational opportunities. This legislation would authorize Federal grants to States both for planning and for acquiring recreational lands. The proposed legislation would provide for sources of revenues to finance this grant program as well as certain acquisitions by the Federal Government of land suitable for recreation and conservation.

Increased expenditures in 1964 will provide for better management, protection, and maintenance of the national park system. While progress is being made to preserve some of our remaining seashores, shorelines, and other areas with recreation potential, additional legislation is needed and is being requested to authorize further Federal acquisitions of such areas to help meet current and future needs. Enactment of legislation along the lines approved by the Senate in the last Congress is again recommended to protect wilderness areas of great natural beauty.

Fish and wildlife resources.—Funds are recommended in 1964 for fisheries research which will provide additional support to the national oceanographic research effort and for other studies to aid the fishing industry. The budget also provides for further acceleration of the acquisition of wetlands for the conservation of migratory waterfowl. Research will be continued on ways to reduce possible harmful effects of pesticides.

Mineral resources.—An increase in expenditures is estimated in 1964 for mineral resources, mainly for the acquisition of helium which, being extracted with natural gases, would otherwise be wasted. This is a prime example of the conservation of a valuable resource for future use.

COMMERCE AND TRANSPORTATION

A number of Federal agencies play important roles in the promotion and regulation of commerce and transportation. The common purpose of these programs is to strengthen our economy through facilitating business enterprise, encouraging technological innovation, im-

COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Advancement of business:				
Department of Commerce:				
Weather Bureau.....	\$64	\$93	\$124	\$110
National Bureau of Standards.....	30	52	73	57
Other.....	90	113	159	157
Small Business Administration.....	230	213	262	215
Other agencies.....	14	*	-1	
Area redevelopment:				
Department of Commerce.....	7	45	121	240
Public works acceleration program.....		300	400	
Aviation:				
Federal Aviation Agency.....	698	791	801	810
Civil Aeronautics Board.....	82	84	84	83
Water transportation:				
Department of Commerce.....	357	381	360	351
Coast Guard.....	284	303	314	364
Panama Canal Company.....	13	12	1	
Saint Lawrence Seaway.....	1	3	2	
Highways (mainly on national forests and public lands).....	33	48	42	45
Postal service.....	797	802	554	565
Regulation of business.....	74	84	94	94
Subtotal, administrative budget.....	2,774	3,325	3,388	13,091
Trust Funds:				
Department of Commerce:				
Highway trust fund, net.....	2,784	3,000	3,391	3,706
Other.....	33	19	6	6
Federal Deposit Insurance Corporation, net.....	-154	-165	-162	
Subtotal, trust funds.....	2,662	2,854	3,235	13,711
Intragovernmental transactions and other adjustments (deduct).....	-50	-55	-54	
Total.....	5,487	6,233	6,677	

* Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$3,126 million; 1963, \$4,039 million.
 Trust funds: 1962, \$3,362 million; 1963, \$3,589 million.

proving transportation and communication facilities, and fostering the degree of competition which is most helpful in realizing our potential economic growth and in raising the standard of living of all our people.

In 1964, total payments to the public for these programs, including trust fund outlays, will amount to an estimated \$6.7 billion, \$444 million more than in 1963. Increases in expenditures for several important activities—especially for Interstate and other Federal-aid highways and for projects under the public works acceleration program—will be offset in part by the greater contribution to postal revenues by mail users in 1964, when higher postal rates will be effective for the full fiscal year.

Advancement of business.—The Department of Commerce and the Small Business Administration have a broad range of responsibilities for assisting the expansion of business enterprise.

Because of the importance of expanding commercial exports to foreign countries as a primary means of balancing U.S. international payments, the budget provides for a substantial augmentation of the activities of the Department of Commerce in promoting U.S. exports generally and in providing the economic and commercial analysis required to obtain maximum benefit for U.S. exports from prospective tariff negotiations under the Trade Expansion Act of 1962. Under the adjustment assistance authority provided in the act, the Small Business Administration and, in some instances, the Department of Commerce will guarantee private loans and make direct loans to help firms injured by imports to readjust their activities; technical assistance will also be provided to such firms.

In addition to its new role in trade adjustment loan guarantees and direct loans, the Small Business Administration will continue to expand its extensive financial and other aids to small businesses. In 1964, the new obligational authority requested, together with increased repayments on earlier loans, will permit approval of about 8,000 new loans to small businesses and a considerable expansion in financing aids for small business investment companies, as well as for a large number of State and local development companies.

The budget also provides substantially increased expenditures for the export expansion program of the Department of Commerce, from \$14 million in 1963 to \$25 million in 1964. In an effort to encourage present exporters to enlarge their export activities and especially to induce an increase in the number of exporting firms, the Department expects almost to double the professional field staff working on trade promotion and analyzing export potentials. To help sell goods

abroad, funds are recommended to strengthen the overseas marketing programs by (a) increasing the number of trade centers in foreign countries from 5 to 12; (b) initiating the new program of mobile trade fairs authorized by the last Congress; and (c) helping to finance the participation of individual exporters in overseas fairs and shows.

Economic growth is closely tied to the advance of technology, as new products lead to new business opportunities, and improved processes lead to lower costs. Pursuant to recommendations of a panel on civilian technology, the Department of Commerce will initiate a new program directed specifically toward encouraging more extensive and imaginative use of technological developments to increase productivity.

This budget provides for significant expansion and improvement in the statistics which are used by both Government and private groups to measure the economic and social development of the country, as summarized in Special Analysis I. The five-year economic censuses covering manufactures, mineral industries, transportation, and the distribution and service trades will also be taken.

The Weather Bureau provides the basic observations and forecasts on which all domestic activities affected by the weather depend. In 1964 it will assume responsibility for obtaining weather observations from fixed ocean stations and for the improvements in data acquisition and processing needed for a modernized aviation weather service. Expenditures will also increase substantially for the broadened program authorized and financed by the Congress last year for procuring and launching meteorological satellites.

Expenditures for the National Bureau of Standards will rise by an estimated \$21 million in fiscal year 1964, primarily because of progress on construction of the new laboratories at Gaithersburg, Md. During 1964, a linear accelerator producing one of the world's most intense electron beams will be placed in operation, and construction will be underway on a materials research reactor. These instruments are essential to provide accurate measurements, knowledge of the performance of materials, and data on physical constants with the high precision required in aerospace and other key industries.

Area redevelopment.—The Department of Commerce, with the assistance of other major departments and agencies, provides a broad range of Government aids to help local communities in chronically depressed areas rebuild their economic base and expand opportunities for permanent employment. Expenditures for this program, first authorized in 1961, will continue to increase rapidly—predominantly for loans to finance construction of industrial and commercial facilities. By the close of 1964, an estimated 900 areas will have had their

economic development plans approved and will be participating actively in the program. The loans, grants, and technical aids financed from funds previously provided and from the appropriations of \$240 million recommended for 1964 will help furnish new opportunities for permanent employment in redevelopment areas for an estimated 130,000 workers directly, and will provide indirectly for employment of many additional workers in these areas. Legislation is being proposed to increase the maximum limits on the various types of Federal assistance provided in the law.

Public works acceleration.—Under legislation enacted toward the close of the last Congress, \$400 million in Federal aid has been appropriated to help finance Federal, State and local capital improvements and at the same time to serve as a stimulus for employment in redevelopment areas and other areas of substantial unemployment. Available funds are being rapidly committed and a large backlog of applications has been received for eligible projects in these areas. Accordingly, an additional appropriation is recommended for 1963 to make available promptly the remaining \$500 million authorized by the Congress for this emergency program.

Federal, State, and local officials are devoting maximum effort to assure prompt initiation and acceleration of these capital improvements. On the basis of the present outlook, Federal expenditures under this program will rise from an estimated \$300 million during the current fiscal year to \$400 million in the fiscal year 1964.

Transportation policy and research.—The national transportation policy proposed last year emphasized the goal of relying more heavily on the forces of competition to assure fast, safe, and efficient transportation services to the Nation at the lowest economic and social costs. To help achieve this goal, Government promotion, regulation, and taxation policies should be revised to assure equal competitive opportunity for all major types of transportation. Moreover, users of transportation should be expected to pay more of the costs of the services and facilities provided by the Government, not only to help meet a part of the heavy costs involved, but also to help assure that resources invested in transportation services are used efficiently. In the long run, Federal expenditures for those segments of the transportation industry now receiving support from the general taxpayer should be substantially reduced.

Research programs sponsored by the Federal Government on the various modes of transportation have been fragmented in the past, are inadequate in scope, and are not properly balanced. The budget provides for initiation in 1963 of a new comprehensive research pro-

gram in the Department of Commerce to improve our understanding of the transportation system in order to provide a more rational basis for the development of public policy.

Aviation.—Expenditures by the Federal Aviation Agency for the operation of the Federal airways system will continue to rise as traffic control services are improved and new equipment is developed and installed to meet demands of growing air traffic.

Legislation is being proposed to extend the Federal grant-in-aid program for airport construction beyond 1964 at the present level of \$75 million per year. In accordance with the procedure adopted in the 1961 amendments, advance appropriations are being requested for 1965 to give local communities adequate time to plan airport improvement projects. In addition, legislation is again proposed to establish a Federal corporation to consolidate the management of the Dulles and Washington National airports and to place these essentially commercial operations on a business-type basis.

Studies are progressing on the feasibility of developing a supersonic air transport. However, the economic and technical considerations are extremely complex. A final decision should await the full information which the current studies should yield. These studies will be completed and the results evaluated later this year.

Water transportation.—A review recently completed clearly establishes the need for the Coast Guard to modernize its fleet and shore facilities in order to carry out its missions more adequately. The increase of \$59 million in new obligational authority requested for 1964 will be devoted in part to this purpose and in part to operation of the ocean station program formerly financed by the Department of Defense; the increased expenditures, however, will result mainly in later years.

Expenditures by the Department of Commerce for aids to ocean shipping will decrease by an estimated \$21 million in 1964 primarily because operating subsidy payments in 1963 reflected an unusually high accumulation of prior year obligations. However, the approval of subsidies for two operators formerly not subsidized is expected to increase the number of subsidized voyages from 1,835 this year to about 1,900 next year. Expenditures in 1964 for ship construction include starts on 17 new ships; continuance of this program at about this level will permit replacement of vessels in the subsidized fleet by the time they reach 25 to 30 years of age.

Highways.—Federal outlays for highways are financed predominantly through the highway trust fund on a pay-as-you-build basis

from highway user tax revenues earmarked for this program. Trust fund expenditures are expected to rise by \$391 million to \$3.4 billion in 1964. A major share of total Federal-aid expenditures is for the Federal cost of the Interstate Highway System, scheduled for completion in 1972. Over 13,000 miles of this 41,000-mile system have been completed and another 15,700 miles are in various stages of development. Federal grants to help finance construction of primary and secondary highways—which account for over a quarter of Federal-aid highway expenditures—are rising more slowly in response to increases in authorizations in earlier years.

Postal service.—Expenditures of the postal service in 1964 will exceed anticipated revenues by an estimated \$554 million. The decreases from \$797 million in 1962, and the estimated \$802 million in 1963, reflect the rise in postal rates, partially offset by higher pay costs. After deducting the loss on public services, as defined in the Postal Policy Act of 1958, as amended, the cost of postal services is estimated to exceed revenues by \$104 million in 1964. Additional net revenues are expected to reduce this revenue deficiency in later years as successive stages of the postal rate increases enacted in 1962 become effective.

Strong management efforts to provide better postal service at lower cost are continuing. Employee productivity in the processing of mail increased by 1.5% in 1962, and is expected to increase at the same rate in 1963 and 1964. Contributing to better service and lower cost are improved planning and organization of mail-handling operations, increased use of mechanical and electronic equipment, and the cooperation of postal employees, employee organizations, and patrons of the postal system. The contribution of business mailers in scheduling deliveries to post offices so as to spread postal workload more evenly has been especially helpful.

HOUSING AND COMMUNITY DEVELOPMENT

Expenditures for urban renewal and other community development programs will continue to rise in 1964, as many long-term projects undertaken in earlier years move toward completion. Higher expenditures are also estimated for purchases of insured and guaranteed mortgages and for advances by the Federal home loan banks to their member institutions, thus providing increased assistance for the construction and purchase of housing units. However, a considerable share of these increases in expenditures will be offset by the liquidation of housing mortgages and other assets largely acquired in earlier years. In total, Federal cash payments to the public for housing and community development programs are estimated to rise by \$250 million in 1964 to a total of \$1.1 billion.

HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Urban renewal and community facilities:				
Housing and Home Finance Agency:				
Urban renewal capital grants.....	\$164	\$250	\$298	-----
Public facility loans (excluding transportation loans).....	19	60	77	-----
Urban mass transportation:				
Present programs.....	*	17	22	*
Proposed legislation.....			10	\$100
Other.....	79	39	12	44
Public housing programs.....	163	179	205	221
Aids to private housing:				
Housing and Home Finance Agency:				
Federal Housing Administration.....	199	110	-143	-----
Federal National Mortgage Association:				
Special assistance functions.....	54	165	74	-----
Management and liquidating programs.....	-177	-146	-147	15
Housing for the elderly—direct loans.....	5	26	54	125
Other.....	7	15	19	24
Federal Home Loan Bank Board.....	-237	-278	-292	-----
National Capital Region:				
District of Columbia.....	72	83	86	67
Other.....	2	5	5	3
Subtotal, administrative budget.....	349	525	276	¹ 599
Trust Funds:				
Federal National Mortgage Association secondary market operations, net.....	317	250	485	203
District of Columbia.....	334	388	400	386
Federal home loan banks, net.....	872	-100	150	-----
Subtotal, trust funds.....	1,522	539	1,036	¹ 589
Intragovernmental transactions and other adjustments (deduct):				
District of Columbia.....	119	138	139	
Other.....	62	52	49	
Total.....	1,690	874	1,124	

*Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:

Administrative budget funds: 1962, \$630 million; 1963, \$561 million.

Trust funds: 1962, \$570 million; 1963, \$515 million.

Urban renewal and community facilities.—The Housing Act of 1961 increased the range of Federal aids available for local communities, and also provided new obligational authority adequate to meet the essential requirements for urban renewal grants and public facility loans for several years. However, because of the long lead-time required for many of the projects undertaken under these programs, the impact on budget expenditures has been gradual.

Under the broadened urban renewal program, local communities are currently initiating plans for new projects at a rate which will ultimately entail Federal expenditures of \$600 million or more a year in capital grants. In 1964, such grant disbursements will reach an estimated \$298 million, \$48 million above the level expected in the current year. About 600 local communities have 1,100 urban renewal projects either in the planning and development stages or already completed, and almost 20 new projects on the average are being launched each month. While Federal grants normally cover part of the cost of acquiring and clearing slum sites, they indirectly stimulate private and local investment many times greater than the Federal outlays. Thus, in both economic and social terms, the Federal expenditures contribute materially to the long-run development of a large number of cities and smaller communities throughout the Nation.

To help finance essential public facilities which cannot be financed privately on reasonable terms, the Community Facilities Administration expects to increase its disbursements in 1964 on loans to smaller communities and to communities in areas with substantial and persistent unemployment—designated as redevelopment areas.

Legislation is again being proposed to the Congress to provide for both long-range and emergency Federal aids to revitalize urban mass transportation, requiring new obligational authority of \$100 million in the first year and totaling \$500 million over a 3-year period. In addition, the authority for demonstration grants and loans authorized in the Housing Act of 1961 should continue to be used to explore new methods of meeting urban transportation requirements and to provide limited financial assistance.

Public housing programs.—Annual contributions by the Public Housing Administration to local housing authorities will continue to rise as more housing units built for low-income families under existing contracts are completed and occupied. The authorizations contained in the Housing Act of 1961 are ample to provide for the further units which can be placed under contract during the fiscal year 1964. It is expected that demonstration grants under present and proposed

authority, and other studies now underway in the Housing and Home Finance Agency will provide the basis for recommendations to improve Federal aids for housing low-income families.

Aids to private housing.—The Housing and Home Finance Agency assists private housing mainly by assuring broad availability of credit under reasonable terms through insurance of loans made by private institutions, operation of a Government secondary market for such insured loans and, in one case, direct loans on unusually favorable terms. All of these programs are largely or wholly self-supporting, but they generally have involved expenditures for the acquisition of loans and other assets in excess of receipts obtained from the sale and amortization of such assets.

Under present plans, even greater reliance will be placed on private financial institutions in 1964. In the past, the Federal Housing Administration has extended its own credit to buyers of properties and mortgages which it had acquired in cases of default. In the future, it will finance sales mainly through insuring private loans. In the past, under its special assistance program, the Federal National Mortgage Association has accumulated a large portfolio of insured mortgages for which private markets had not yet been developed, and present programs and commitments will result in even greater expenditures for such purchases in the immediate future—largely for housing for moderate-income families. Because of the growing private markets for types of mortgages now held by the Government and to help provide the funds for the expanded future purchases, the FNMA now expects to increase sales of its more seasoned mortgages.

These shifts in the financing of aids to private housing will occur during a period when the economy will be reaching the higher levels of output, income, and employment toward which the fiscal policy in this budget is directed.

The program of direct loans to provide housing for elderly families and individuals of moderate income is expected to expand further in 1964. To provide the necessary funds, legislation is proposed to increase the present maximum authorization; and the budget includes appropriations totaling \$125 million under both the existing and proposed authority.

National Capital Region.—The District of Columbia government provides both State and local government services for the industries and residents of the National Capital city. As the predominant industry, the Federal Government recognizes a special responsibility to bear its proper share of the costs of these services, as well as to provide long-term loans needed to carry out an orderly program of

capital improvements. To help meet the growing requirements for both current and capital funds, legislation is again proposed to increase the existing authorizations governing appropriations for both types of Federal assistance.

The programs and fiscal requirements of the District of Columbia are discussed more fully in a separate message on the District of Columbia budget.

HEALTH, LABOR, AND WELFARE

The Federal Government provides a wide range of health, labor, manpower, and welfare services to help meet human needs. Payments to the public for these services are estimated at \$27.4 billion in 1964, predominantly from trust funds which are financed by special taxes.

About nine-tenths of the estimated payments to the public for health, labor, and welfare in 1964 will be for income maintenance through the old-age and survivors insurance and other trust funds and through public assistance grants. The major beneficiaries of these income support programs are the aged.

Trust fund expenditures for health, labor, and welfare are estimated to increase by \$1.0 billion in 1964 over 1963, largely reflecting built-in growth. Increases of \$698 million are estimated in administrative budget expenditures, including \$166 million under proposed legislation. The 1964 budget provides for substantial improvements in public health activities and in programs designed to improve training and employment opportunities of persons in the labor force and to reduce the economic impact of unemployment. In these fields, increased emphasis is being given to research and training programs, which constitute valuable additions to our stock of knowledge and high return investments in our human resources.

Health services and research.—In 1964, the Department of Health, Education, and Welfare will spend an estimated \$1.6 billion for health research and public health services, including related consumer protection activities; this is an increase of \$250 million over 1963. Expenditures by the National Institutes of Health for research, training, and facilities will account for about half of the total.

Health research.—The Nation's total outlay in the current year for medical research alone, private and public, is approximately \$1.5 billion, of which more than \$1 billion is supported by the Federal Government. The National Institutes of Health account for over three-fifths of the Federal support, and have now become the largest single source of Federal funds going to universities. As the research

HEALTH, LABOR, AND WELFARE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Health services and research:				
National Institutes of Health:				
Research and training.....	\$550	\$703	\$816	\$930
Grants for construction of health research facilities.....	31	35	35	50
Community and environmental health:				
Proposed legislation for medical education assistance.....			9	34
Hospital construction activities:				
Present programs.....	167	177	178	180
Proposed legislation.....			5	35
Other community and environmental health.....	147	195	272	339
Proposed legislation for maternal and child health.....			17	17
Other.....	233	282	310	326
Labor and manpower:				
Temporary extended unemployment compensation.....	333	1		
Repayable advances to unemployment trust fund.....	31	-90	-3	
Unemployment compensation for Federal employees and ex-servicemen.....	129	141	119	119
Manpower development and training.....		50	119	165
Proposed legislation for youth opportunities.....			60	100
Other.....	98	107	119	125
Public assistance:				
Grants to States.....	2,432	2,838	2,950	2,950
Assistance to Cuban refugees and other activities.....	5	61	73	81
Other welfare services:				
School lunch and special milk programs.....	261	266	284	284
Vocational rehabilitation.....	85	100	127	131
Proposed legislation for military service credits.....			75	75
Other.....	22	49	48	43
Subtotal, administrative budget.....	4,524	4,915	5,613	5,984
Trust Funds (including proposed legislation):				
Old-age, survivors, and disability insurance.....	14,359	15,765	16,650	16,746
Unemployment insurance.....	3,906	3,750	3,770	4,288
Civil service retirement and disability.....	1,058	1,219	1,345	2,331
Railroad retirement.....	1,135	1,112	1,099	1,219
Other.....	-76	-34	-61	9
Subtotal, trust funds.....	20,382	21,812	22,802	24,593
Intragovernmental transactions and other adjustments (deduct).....	945	928	991	
Total.....	23,961	25,799	27,424	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$4,982 million; 1963, \$5,414 million.
 Trust funds: 1962, \$20,239 million; 1963, \$22,236 million.

effort has grown, the need for additional competent researchers has become more urgent. Accordingly, in continuing to provide increased funds for the NIH, the budget assigns high priority to grants and fellowships for training medical research specialists.

Health manpower and facilities.—Legislation is again being recommended to authorize Federal grants to assist in construction of new medical, dental, osteopathic and public health schools and to provide financial aid to medical and dental students. The need for Federal aid is increasing, as the number of doctors—especially those who engage in medical practice—continues to fall significantly behind population growth, presenting a growing threat to the Nation's health. An expansion of programs for training nurses is also recommended.

The Federal program under the Hill-Burton Act for aiding in the construction of medical facilities has successfully reduced the backlog of needs for community general hospitals. However, the need to renovate and modernize the older general hospitals, most of which are in large urban centers, is not being met. Facilities for the long-term care of the chronically ill and aged are also inadequate. To meet these rapidly increasing needs, legislation is being proposed to increase the financial aid under the Hill-Burton Act and broaden its scope to stimulate the needed construction.

Public health services and related consumer protection.—In recent years, there has been an expansion in Public Health Service activities designed to aid in improving health services at the community level and to cope better with environmental health hazards, such as water pollution, air pollution, and radiation. To permit more effective work in these fields, legislation is being proposed to provide for the creation of new Bureaus of Community Health and Environmental Health, replacing the existing Bureau of State Services.

Federal efforts to control environmental health hazards will be enhanced by construction of a single center to house the growing research, regulatory, and operational activities. The budget provides initial funds for site acquisition and planning of this facility. Provision is also made to increase research on environmental health problems and to increase training funds to expand the supply of technical manpower available for attacking these problems. Legislation will be proposed to increase Federal participation in programs for the prevention and control of air pollution. A further substantial strengthening of the Federal water pollution control program is also provided.

Expansion of community health activities will continue as the Public Health Service places increased emphasis upon assisting the States to improve the training of public health personnel, control venereal disease, and bring improved care to victims of cancer, heart

disease, and other chronic illnesses. The estimates for 1964 include \$44 million for the Bureau of State Services for activities heretofore financed in the National Institutes of Health, to help put research findings on public health problems into practice. The budget also includes supplemental appropriations for 1963 to (a) initiate the newly authorized community immunization program to protect pre-school children from diphtheria, tetanus, whooping cough, and poliomyelitis, and (b) expedite the new program of grants for improvement of the health conditions of migratory agricultural workers.

Added responsibilities have been placed on the Food and Drug Administration by enactment of the Drug Amendments of 1962 and the issuance of regulations to insure greater safety in the experimental use of drugs. Moreover, the rapid advance of technology, continued population and industrial growth, and greater variety in foods, drugs, and cosmetics are increasing still further the agency's responsibilities for protecting the health and safety of consumers. The budget, therefore, includes a supplemental appropriation for 1963, and provides for a continued increase in manpower for the agency in 1964. Legislation will again be proposed to provide more adequate protection against dangerous cosmetics, harmful therapeutic devices, and the illegal distribution of barbiturates and amphetamine drugs, and to make other needed improvements in the food and drug laws.

Mental health.—The great majority of the mentally ill in our society, unfortunately, receive too little treatment and receive it too late. Many mental hospitals serve merely as custodial institutions when, in fact, modern psychiatry can diagnose and treat the mentally disturbed with more and better resources in the patients' own communities, and with greater likelihood of recovery. Legislation will be proposed to initiate in 1965 a comprehensive long-range effort to help stimulate development of community-centered mental health facilities and services to combat mental illness. Within the amounts proposed for the National Institutes of Health, this budget provides \$190 million of new obligational authority in 1964 under existing laws for the National Institute of Mental Health, an increase of \$47 million over 1963, to step up research and training programs and initiate a new program of project grants to assist State mental institutions to improve therapeutic services.

Mental retardation.—The Panel on Mental Retardation has reported that 5.4 million people in our country are mentally retarded. About 400,000 of them are severely afflicted, frequently due to organic defects; the remaining 5 million are mildly retarded. Too little attention has been given to this childhood affliction with its devastating lifelong effects. It has much of its origin in social and cultural

deprivation and inadequate health care. The budget includes \$98 million in new obligational authority under existing and proposed legislation to improve health, education, rehabilitation, and related services for the retarded, and to initiate a preventive program of maternal and child health services. This is more than double the amount provided for 1963. The full dimensions of this proposed national effort to combat mental retardation and mental illness will be described in a special message to the Congress.

Labor and manpower.—Budget expenditures in 1964 for labor and manpower programs are expected to be \$205 million higher than in 1963, principally to increase the opportunities for training and employment of unemployed workers and youth.

Under the Manpower Development and Training Act, increased funds are proposed to permit training services in 1964 for approximately 140,000 unemployed workers, double the estimated number in 1963. The value of this program has already been demonstrated during the current year by actual placement of trainees in jobs for which they were trained.

A rate of unemployment among youth running about 2½ times higher than among adults also suggests that many young people are currently inadequately trained. To help meet this problem, legislative proposals will be sent to the Congress, including recommendations for a Youth Employment Opportunities program and proposals for strengthening vocational education.

The Federal-State employment service has been strengthened by additional funds provided by the Congress. Evidence of its success can be seen in the record levels of job placements, resulting in part from increased counseling and from testing workers to match employer skill requirements and worker abilities. Continued strengthening of the 1,900 employment service offices is requested in this budget. Trust fund expenditures for this purpose will increase by \$18 million to a total of \$169 million in 1964.

Social insurance and public welfare.—Two major public approaches—social insurance and public assistance—have been developed to help individuals or their families when income is lost because of the retirement, disablement, death, or unemployment of the family breadwinner.

Social insurance.—The basic social security system, supplemented by the railroad retirement system and the various retirement systems for Federal Government employees, will provide \$18 billion in benefits in 1964 to 21 million retired, disabled, widowed, or orphaned persons. The largest portion, \$13 billion, will be paid to approximately 14 million persons who are over 65. These benefits are financed by payroll con-

tributions made by both employers and employees during the working lifetime of the breadwinner and by the interest earned through the investment of these funds. Total receipts of these insurance and retirement plans are expected to rise by \$2.1 billion over fiscal year 1963 to \$20.3 billion in 1964, primarily because of the higher social security payroll tax that became effective on January 1, 1963.

Although the social security system now provides retirement income, it does not provide any protection against the drain on limited resources by the very high costs of hospital and nursing home care. Therefore, expansion of this system to help cover the costs of hospital and related services for the aged is again being proposed, to be effective January 1, 1965. Benefits to those who are currently aged but who are not eligible for social security retirement benefits will be paid from regular appropriations.

The railroad retirement system and the railroad unemployment insurance system are in financial difficulties. The retirement system currently is operating under an actuarial deficit of about \$77 million per year; the unemployment insurance system has had to borrow funds in order to meet the benefits provided by law. These systems are financed by payroll contributions from employers and employees in the railroad industry and by interest earned from investment of these contributions. Accordingly, Congress will be asked to enact legislation that will help overcome these financial difficulties by (1) increasing payroll contributions and (2) raising the interest rate on investments of the railroad retirement account by applying the same market-yield criteria now used for the social security trust fund.

The legislation also proposes revising the basis for reimbursing the railroad retirement system to meet the Federal Government's obligation for credits to railroad workers for the time they spent in military service. The budget includes \$12 million for the first of 10 annual payments to reimburse the railroad retirement account for past credits for military service and \$63 million for a similar first-year payment to the OASDI trust funds.

Benefit payments of \$2.9 billion under the unemployment insurance system are estimated in fiscal year 1964, including \$170 million under proposed legislation. The present system is inadequate, particularly for coping with the problem of prolonged unemployment. A comprehensive program is being proposed for permanent improvements in the Federal-State unemployment insurance program so that it can more effectively assist workers and respond to the needs of the economy in prosperous as well as bad times.

Public assistance and rehabilitation.—The major portion of expenditures for public assistance will continue to meet the basic food, shelter, and medical needs of about 7 million individuals. Legislation enacted

last year was designed with the objective of fostering the economic independence of individuals who are, or would otherwise become, public assistance recipients. This legislation calls for increased Federal matching of State expenditures for welfare services aimed at reducing dependency. Higher Federal expenditures are estimated for this purpose in 1964 as States are increasingly participating. Initially, the emphasis will be on developing the skills of State employees necessary for providing effective assistance.

In extending dependency-reducing services to public assistance recipients, significant help can be derived from the existing Federal-State vocational rehabilitation program. During fiscal year 1962, that program successfully restored 102,400 individuals to economic independence. Continued progress is expected, and the budget provides Federal matching funds which will be used to rehabilitate about 126,500 persons in 1964. The number of individuals rehabilitated in 1964 can be even greater as more public assistance recipients receive services from vocational rehabilitation agencies.

EDUCATION

A strong educational system is essential to the welfare of our society and the growth of our economy. Great strides have been made in expanding the educational opportunities for all elements of society, but there are still critical inadequacies and problems to be overcome. Millions of children are deprived of the advantages of a good education and the incentive to strive for one, because of poor teaching materials and curricula and the failure to attract enough capable people to enter and remain in the teaching profession. It is now estimated, for example, that during the 1960's, 7½ million young people will be dropping out of school before completing their high school education and hundreds of thousands of students of demonstrated ability are failing to undertake college and graduate education at a time when our economy and national security demand more people with highly advanced education and training.

To meet these and many other educational needs of the country, the 1964 budget provides for a doubling of new obligational authority for education to a total of \$3 billion. A substantial part of these funds is for expansion and initiation of programs under existing legislative authority, particularly in the National Science Foundation and the Office of Education. But the bulk of the increase is for programs under new legislation. Together, these recommendations would constitute the first phase of a comprehensive program to meet selected, critical problems in education at every level and affecting individuals of every age. Expenditures for education programs in fiscal year 1964 are estimated to rise by \$165 million over the level in 1963.

EDUCATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Assistance for elementary and secondary education:				
Assistance to schools in federally affected areas:				
Present programs.....	\$283	\$320	\$213	\$128
Proposed legislation.....			148	254
Defense education: Science, mathematics, and foreign language instruction, and guidance counseling and testing programs.....	54	55	61	73
Assistance for higher education:				
College housing loans.....	227	374	218	300
Defense education: Student loans, fellowships, and language and area centers.....	97	115	119	119
Assistance for land-grant colleges, Howard University, and Gallaudet College.....	25	30	33	34
Assistance to science education and basic research:				
National Science Foundation:				
Basic research and research facilities.....	82	107	135	230
Grants for institutional science programs.....	11	31	65	171
Science education.....	71	81	120	154
Other science activities.....	18	19	23	34
Other aids to education:				
Vocational education:				
Promotion of vocational education.....	40	41	41	42
Area vocational education (National Defense Education Act).....	12	13	13	15
Other defense education assistance.....	19	21	23	23
Indian education services.....	69	78	90	93
Library of Congress and Smithsonian Institution.....	42	46	46	45
Other.....	24	30	44	53
Proposed legislation for new education program.....			144	1,215
Subtotal, administrative budget.....	1,076	1,361	1,537	1,298
Trust Funds.....	1	1	1	1
Intragovernmental transactions and other adjustments (deduct).....	25	33	43	
Total.....	1,052	1,330	1,495	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$1,285 million; 1963, \$1,421 million.
 Trust funds: 1962, \$1 million; 1963, \$1 million.

New program.—A key objective of the coordinated program being proposed is to strengthen the quality of instruction and subject matter taught in our schools through (a) buttressing of research in education and improvement of course content, (b) expansion and improvement of teacher training programs, (c) improvement of community library services for people of all ages, and (d) strengthening of public elementary and secondary education.

Vocational education programs must also be expanded and modernized, and better teaching materials and curricula developed. Increased Federal assistance for vocational training should assist persons of all age groups to obtain the training they need for employment in our complex economy. Post-high school training facilities and opportunities for technicians to assist scientists, engineers, and the medical profession, should also be expanded.

Opportunities for individuals to obtain higher education should be enlarged through work-study, student loan and loan guarantee, and graduate fellowship programs. To help provide the \$23 billion of facilities needed to accommodate the expected doubling of college enrollments during the 1960's, new programs are necessary to assist in financing college academic facilities and the development of graduate schools, public junior colleges and technical institutes, and college libraries.

As another part of the comprehensive program being recommended, the National Science Foundation will play a significantly greater role in strengthening the teaching of the sciences and training the new manpower necessary for future advances in science and technology. Thus, particular attention has been given to types of assistance which will help expand the graduate training capacity of academic institutions and increase graduate enrollments in engineering, mathematics, and physical sciences, as recently recommended by the President's Science Advisory Committee.

A special message on education will set forth the details of the proposed new legislative program for education and the related steps to be taken under existing legislation. The following discussion relates principally to existing programs.

Assistance for elementary and secondary education.—The 1964 budget provides \$361 million in expenditures for assistance to schools in federally affected areas. Portions of the current program which relate primarily to children whose parents work on Federal property but live on private taxable property will expire on June 30, 1963. The budget includes funds under proposed legislation for a 1-year extension of these provisions without change. The legislation will also include, with certain amendments, an extension of these provisions for an additional 3 years. Assistance to elementary and secondary schools under the National Defense Education Act will

continue in 1964 at about the current level. The new obligational authority recommended for these programs for 1964 is \$455 million, and expenditures are estimated at \$422 million.

Assistance for higher education.—The 1964 budget provides the full amounts of new funds authorized by the National Defense Education Act and the Housing Act of 1961 for aid to higher education. Expenditures for student loans are estimated at \$90 million under existing authority. Net expenditures for college housing loans will decline by an estimated \$156 million in 1964 primarily because of (a) unusually high disbursements in 1963 on the heavy commitments made in 1961 when extra authority was provided to eliminate backlogs of applications and (b) substantially increased receipts from sales of earlier loans to private investors. New obligational authority for these programs will total \$453 million in 1964; expenditures are estimated at \$370 million.

Assistance to science education and basic research.—As an integral part of the new education program, a major expansion of National Science Foundation programs is provided in the 1964 budget. New obligational authority for 1964 will be more than 80% above the 1963 level, and estimated expenditures will rise from \$238 million to \$343 million in 1964.

In addition to further strengthening of the Foundation's support for basic research, research facilities, and national research programs, the 1964 budget provides for a sharp expansion in support for institutional science programs and science and engineering education—including teacher training institutes and science curriculum development, expansion and improvement of graduate and undergraduate science and engineering facilities in colleges and universities, and initiation of training grants to stimulate graduate education. This expansion reflects the importance of science education, including education in the social sciences, in contributing to the goals of the new education program and in substantial part is in response to the urgent recommendations of the President's Science Advisory Committee to expand graduate enrollment in the engineering, mathematical, and physical sciences.

Other aid to education.—Children are being taught poorly developed and uninteresting information at a time when the knowledge to be acquired and the challenges in its future application are greater than ever before. Yet our entire country devotes fewer resources to research in education than some individual business firms spend for research for product development. To help fill this critical gap, the 1964 budget proposes a substantially expanded program in research and curriculum development by the Office of Education as well as by the National Science Foundation.

Vocational education and teacher-training institute programs conducted by the Office of Education under existing legislation are included in the budget at the maximum level authorized by law. Additional funds for legislative recommendations to expand and update these programs are included under proposed legislation.

VETERANS BENEFITS AND SERVICES

Payments to the public in 1964 for veterans programs are estimated to decrease by \$389 million from the current year's level. The decline mainly reflects a reduction of \$327 million in life insurance dividend

VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Service-connected compensation.....	\$2,017	\$2,085	\$2,061	\$2,061
Non-service-connected pensions.....	1,635	1,736	1,800	1,800
Readjustment benefits:				
Education and training.....	144	90	56	57
Direct housing loans.....	93	112	93	150
Loan guarantee and other benefits.....	152	116	44	44
Hospitals and medical care:				
Medical care and hospital services.....	989	1,041	1,072	1,088
Construction of hospitals.....	53	65	67	81
Medical administration, research, and other.....	41	46	48	49
Other veterans benefits and services:				
Insurance and servicemen's indemnities.....	56	25	12	31
Burial and other allowances.....	52	56	60	60
Veterans Administration general operating expenses and other.....	171	174	171	173
Subtotal, administrative budget.....	5,403	5,545	5,484	¹ 5,594
Trust Funds:				
National service life insurance.....	626	792	488	680
U.S. Government life insurance.....	96	78	58	48
Other.....	10	9	9	9
Subtotal, trust funds.....	733	879	555	¹ 737
Intragovernmental transactions and other adjustments (deduct).....	44	57	60	
Total.....	6,092	6,367	5,978	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
Administrative budget funds: 1962, \$5,460 million; 1963, \$5,607 million.
Trust funds: 1962, \$726 million; 1963, \$743 million.

payments from trust funds, which are being increased and speeded up into 1963. Other decreases are expected because of reduced acquisitions of defaulted guaranteed properties and fewer direct housing loans, and because of a reduction in the number of veterans receiving disability compensation and education and training benefits. Expenditures for pensions and medical care for needy veterans will continue to rise, following the long-run trend of these programs.

Service-connected compensation.—Expenditures for compensation benefits to veterans disabled in the service are estimated at \$2.1 billion in fiscal year 1964, \$24 million less than in 1963. This decrease results from a decline in the number of veterans and survivors of veterans receiving benefits; about 2,332,000 service-disabled veterans or survivors will receive compensation payments in 1964, 22,000 fewer than during the current year.

The increased level of expenditures for compensation in 1963 and 1964 compared with 1962 reflects a cost-of-living increase in disability compensation rates, effective as of July 1, 1962. Similar legislation is being proposed to increase benefits for children and dependent parents of veterans deceased as a result of military service, to bring these benefits more in line with the present cost of living. Widows receiving dependency and indemnity compensation benefits from the Veterans Administration would also receive higher benefits as a result of the recommended increase in military compensation.

Non-service-connected pensions.—Expenditures for pensions are expected to rise by \$64 million in 1964, based on an estimated increase of 85,000 recipients. An average of 2,052,000 veterans or survivors will receive pensions in 1964 compared to 1,967,000 in 1963. As they advance in age, World War I veterans are becoming eligible for and receiving pensions in increasing numbers. These veterans and their survivors now constitute about 75% of the pension rolls.

About 90% of World War I veterans and 95% of World War II and Korean conflict veterans are ultimately expected to receive benefits under the old-age, survivors, and disability insurance system. The veterans pension program assists those who are not insured under OASDI or whose incomes from social security and other sources are below the limits set for veterans pensions. It is estimated that by 1964 about 45% of all living World War I veterans will be receiving pensions.

Readjustment benefits.—Expenditures for education and training benefits are estimated to decline by \$34 million from 1963 to 1964, reflecting the continuing reduction in the number of veterans of the Korean conflict who receive these benefits. Peacetime ex-servicemen with severe service-connected disabilities will be aided in 1964 by the

vocational rehabilitation program enacted by the 87th Congress. Counseling and training for these ex-servicemen to enable them to find gainful employment will require expenditures of about \$4 million in 1964.

Expenditures for direct housing loans to veterans in rural areas and small towns are expected to decrease by \$19 million from 1963, but will be at the same level as in 1962. About 20,000 such loans will be made in 1964.

Housing mortgages which have been acquired by the Veterans Administration under its loan guarantee and direct loan programs are expected to total \$2 billion by June 30, 1964. To reduce this accumulation, sales of \$147 million in notes from previously defaulted mortgages under the loan guarantee program are planned in 1964, approximately the same amount as estimated for 1963.

Hospitals and medical care.—The budget includes expenditures of \$1,120 million for hospital and medical care services (including administration and medical and prosthetic research) in 1964, an increase of \$33 million over 1963. This increase will be primarily for continued improvement in the quality of medical care, expanded research efforts, and activation of additional medical facilities at several locations. Hospital and domiciliary care will be provided in fiscal year 1964 for an average of 139,055 beneficiaries per day in Veterans Administration, contract, and State facilities. There will also be an estimated 3,728,000 visits by veterans to outpatient clinics or to private physicians paid by the Veterans Administration on a fee basis.

Hospital construction.—An appropriation of \$81 million is proposed for 1964, the fourth step in carrying out a 15-year \$1.2 billion hospital program initiated in 1961 to modernize the 125,000-bed hospital system. Construction of one new facility of 480 beds and replacement of three hospitals containing 2,020 beds will begin in 1964 and planning will be initiated for two others. Several new modernization projects will be undertaken, including \$3 million for construction and planning of new medical research facilities.

Veterans life insurance trust funds.—The National service and U.S. Government life insurance trust funds involve over 5 million life insurance policies issued primarily to veterans of World Wars I and II. Receipts are principally from premiums and interest on investments, while expenditures are mainly for death and disability claims and dividends. Trust fund expenditures are estimated to decline by \$324 million in 1964, mainly because regular dividend payments of \$119 million, due during fiscal year 1964, are being accelerated into fiscal year 1963, and a special dividend payment of \$90 million is also being made in fiscal year 1963.

Other veterans benefits and services.—Insurance and indemnity expenditures made from budget funds are estimated to decline in 1964, reflecting the completion of the 10-year indemnity payments provided for a number of survivors of servicemen who died during the Korean conflict. Decreased expenditures for general administrative operations of the Veterans Administration will result from reductions in workloads and continuing improvements in productivity. These reductions, the continuing consolidation of certain regional office functions, and the closing of small field information offices will more than offset the costs of the employee pay reform enacted last year.

INTEREST

Interest payments, predominantly on the public debt, are expected to rise by \$227 million in fiscal year 1964, primarily reflecting a higher average level of outstanding interest-bearing debt.

INTEREST

[Fiscal years. In millions]

Item	Payments to the public			Recommended new obligatory authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Interest on public debt.....	\$9,120	\$9,700	\$10,020	\$10,020
Interest on refunds of receipts.....	68	71	71	71
Interest on uninvested funds.....	10	11	12	12
Subtotal, administrative budget.....	9,198	9,782	10,103	10,103
Intragovernmental transactions and other adjustments (deduct):				
Excess of interest accrued over interest paid.....	659	619	610	
Interest paid to trust funds and Government agencies..	1,598	1,667	1,770	
Total.....	6,940	7,496	7,723	

Total interest payments to the public in fiscal year 1964 are estimated at \$7.7 billion, substantially less than the estimated budget expenditures for interest of \$10.1 billion. This difference arises because of two factors: first, there is the significant sum, estimated at \$1.8 billion in fiscal 1964, paid to Federal trust funds and agencies (since these transactions are all within the Government they are not included as cash payments to the public); second, interest accruals on savings bonds, which are considered expenditures in the administrative budget, usually exceed by substantial amounts the cash payments of interest received by the bondholders as the bonds are redeemed.

GENERAL GOVERNMENT

Expenditures in 1964 for the general administrative and law enforcement activities of the three branches of the Federal Government are estimated at \$2.2 billion, \$153 million higher than the estimate for 1963. The increase is needed mainly to strengthen revenue collection activities and to carry forward construction of Government buildings for which funds were largely provided in earlier years.

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Legislative functions.....	\$135	\$139	\$132	\$119
Judicial functions.....	57	66	69	69
Executive direction and management.....	22	24	25	26
Central fiscal operations:				
Internal Revenue Service.....	443	501	570	578
Other.....	210	221	243	250
General property and records management:				
General Services Administration.....	412	505	567	630
Other.....	7	3	*	
Central personnel management:				
Department of Labor.....	68	66	58	58
Civil Service Commission:				
Present programs.....	85	74	112	110
Proposed legislation.....			-62	-62
Protective services and alien control:				
Department of Justice.....	289	311	331	349
Other.....	10	12	14	15
Other general government:				
Territories and possessions.....	85	110	125	119
Claims and other.....	51	9	10	17
Subtotal, administrative budget.....	1,875	2,041	2,195	2,277
Trust Funds.....	20	19	19	18
Intragovernmental transactions and other adjustments (deduct).....	13	16	17	
Total.....	1,882	2,044	2,197	

*Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:

Administrative budget funds: 1962, \$2,028 million; 1963, \$2,154 million.

Trust funds: 1962, \$15 million; 1963, \$16 million.

Central fiscal operations.—The budget provides for expenditures of the Internal Revenue Service to increase by \$69 million in 1964 to an estimated \$570 million. This rise is necessary (a) to keep pace with the growing workload, (b) to further the conversion of revenue collection operations to automatic data processing methods in order to assure more efficient and equitable collection of taxes, and (c) to defray some of the added costs of the pay reform enacted last year.

The long-range program of the Internal Revenue Service to improve voluntary compliance with the tax laws will entail a substantial expansion of equipment and personnel over the next several years. While in percentage terms such increases will be considerable, they will amount to only a small fraction of the estimated \$4 billion gap between tax revenues due and those actually collected—a gap which can be substantially reduced by more effective enforcement.

General property and records management.—New obligational authority of \$213 million is requested for 1964 to finance acquisition of sites, planning, and construction of new buildings as part of the continuing program to provide more modern and efficient facilities for Government operations. While this amount is almost the same as appropriated for the current year, expenditures for construction are expected to rise by \$29 million as construction progresses on projects financed in earlier years. Other increases in expenditures are needed largely to operate and maintain both the facilities currently owned and leased and the additional facilities being acquired.

Central personnel management.—Under present law, budget expenditures by the Civil Service Commission are estimated to increase by \$38 million in 1964, largely to pay increased retirement annuities to present retirees, effective January 1, 1963. These increased benefits are initially paid out of the civil service retirement and disability trust fund, but the law provides that the trust fund must be reimbursed by appropriations. This would require a supplemental appropriation of \$30 million in 1963 and a further appropriation of \$62 million in 1964. This budget reflects legislation which will be proposed to remove the requirement of a specific appropriation and to permit payment of these additional benefits from the trust fund starting in 1964, without requiring reimbursement.

The proposed legislation will also provide a permanent basis for financing the civil service retirement and disability system. Most Federal civilian employees now contribute 6½% of their pay to the fund and this payment is matched from appropriations of the employing agencies. However, the Government's contributions have been insufficient to build up reserves adequate to meet probable future requirements, and unless corrective legislation is enacted, the fund

will eventually become depleted. The proposed plan will be designed to assure that sufficient funds will be available to pay future benefits, that employees' contributions are maintained unimpaired, and that an appropriate contributory basis is maintained, without the necessity for building up a huge fund from advance appropriations.

Protective services and alien control.—Larger expenditures will be required in fiscal year 1964 by the Federal Bureau of Investigation to carry out its increased responsibilities in the drive against organized crime and racketeering and to handle other increasing workloads. Increased appropriations are requested for the Bureau of Prisons to provide the funds needed to complete construction of the psychiatric prison hospital now underway in North Carolina, and to finance planning of a National Training School for Boys in West Virginia and a new women's institution in California.

Other general government.—Legislation will be proposed to extend the life of the Commission on Civil Rights beyond its present terminal date of November 30, 1963, to permit it to continue its valuable contribution to our understanding of civil rights problems.

Legislation will also be requested to extend the President's authority to transmit reorganization plans to the Congress, which under existing law expires June 1, 1963.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense, military functions:						
Military personnel.....	12,710	12,901	14,135	13,032	13,100	14,255
Operation and maintenance.....	11,759	11,446	11,792	11,594	11,500	11,690
Procurement.....	15,746	16,647	16,725	14,532	15,521	16,350
Research, development, test, and evaluation.....	6,402	7,008	7,262	6,319	6,599	7,120
Military construction.....	972	1,190	1,232	1,347	1,180	1,170
Family housing.....		597	734		520	670
Civil defense.....	257	173	300	90	210	210
Revolving and management funds.....	325			-99	-330	-465
Total 051.....	48,170	49,961	52,181	46,815	48,300	51,000
057 Military assistance:						
Funds appropriated to the President.....	1,577	1,325	1,480	1,390	1,750	1,450
058 Atomic energy:						
Atomic Energy Commission.....	2,547	3,135	2,893	2,806	2,870	2,850
059 Defense-related activities:						
Executive Office of the President.....	7	5	11	10	5	10
Funds appropriated to the President.....				11	-3	-1
Department of Agriculture.....			30			30
Department of Health, Education, and Welfare.....	35	7	41	3	17	29
Treasury Department.....				-*	-*	-*
General Services Administration.....	40	19	28	33	27	27
Other independent agencies: Selective Service System.....	37	38	38	35	37	38
Total 059.....	119	69	148	92	84	133
Total, national defense.....	52,414	54,490	56,702	51,103	53,004	55,433
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of State.....	248	343	286	245	367	274
Other independent agencies:						
Foreign Claims Settlement Commission.....	1	74	2	1	21	37
Tariff Commission.....	3	3	3	3	3	3
United States Arms Control and Disarmament Agency.....	2	6	15	1	5	12
Total 151.....	253	426	306	249	396	326
152 Economic and financial programs:						
Funds appropriated to the President.....	2,539	4,784	3,685	2,019	2,269	2,492
Department of Agriculture.....	397	250	215	242	195	246
Department of Commerce.....		12	16	8	8	13
Department of State.....	1	17	12	1	14	13
Other independent agencies: Export-Import Bank of Washington.....		2,000		101	-224	-647
Total 152.....	2,937	7,063	3,928	2,372	2,262	2,117

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
153 Foreign information and exchange activities:						
Department of State.....	42	51	63	48	56	59
Other independent agencies: United States Information Agency.....	141	161	217	148	161	177
Total 153.....	183	211	280	197	217	237
Total, international affairs and finance.....	3,373	7,701	4,514	2,817	2,874	2,679
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration.....	1,825	3,673	5,712	1,257	2,400	4,200
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income support and production adjustment:						
Department of Agriculture.....	4,808	4,430	5,939	4,591	5,256	4,367
352 Financing farming and rural housing:						
Department of Agriculture.....	371	91	152	240	322	229
Other independent agencies: Farm Credit Administration.....	2	3	3	-6	-2	2
Total 352.....	373	94	155	234	320	230
353 Financing rural electrification and rural telephones:						
Department of Agriculture.....	418	490	355	303	340	270
354 Agricultural land and water resources:						
Department of Agriculture.....	422	406	430	426	414	414
355 Research and other agricultural services:						
Funds appropriated to the President.....				1	3	
Department of Agriculture.....	363	393	410	341	398	415
Total 355.....	363	393	410	341	401	415
Total, agriculture and agricultural resources.....	6,383	5,814	7,289	5,895	6,731	5,696

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Defense—Civil functions.....	975	1,047	1,087	947	1,045	1,075
Department of the Interior.....	464	578	662	492	546	590
Department of State.....	16	14	12	11	18	13
Other independent agencies:						
Delaware River Basin Commission.....	*	*	*		*	*
Federal Power Commission.....	9	11	13	9	11	13
U.S. Study Commission—Southeast River Basins.....	1	1		1	1	*
U.S. Study Commission—Texas.....	1	*		*	*	
Tennessee Valley Authority.....	38	35	44	103	70	59
Total 401.....	1,504	1,686	1,817	1,564	1,691	1,750
402 Forest resources:						
Department of Agriculture.....	292	329	329	266	303	311
Department of the Interior.....	15	16	15	15	16	15
Total 402.....	306	345	344	280	319	326
403 Mineral resources:						
Department of the Interior.....	83	88	109	68	85	107
404 Fish and wildlife resources:						
Department of Defense—Civil functions.....	*	*	*	*	*	*
Department of the Interior.....	88	105	110	79	95	106
Department of State.....	2	2	2	2	2	2
Total 404.....	90	106	112	81	97	108
405 Recreational resources:						
Department of the Interior.....	114	134	165	93	114	135
Other independent agencies: Outdoor Recreation Resources Review Commission.....	1			1	*	
Total 405.....	115	134	165	94	114	135
409 General resource surveys and administration:						
Department of the Interior.....	61	76	81	60	73	76
Total natural resources.....	2,160	2,436	2,628	2,147	2,380	2,503
500 COMMERCE AND TRANSPORTATION						
501 Aviation:						
Department of Commerce.....				*	*	*
Federal Aviation Agency.....	729	756	810	698	791	801
Other independent agencies: Civil Aeronautics Board.....	83	85	83	82	84	84
Total 501.....	812	841	893	781	874	885

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
502 Water transportation:						
Department of Commerce.....	317	288	351	357	381	360
Department of Defense—Civil functions.....				13	12	1
Treasury Department.....	298	305	364	284	303	314
Other independent agencies: Saint Lawrence Seaway Development Corporation.....				1	3	2
Total 502.....	615	592	715	654	699	677
503 Highways:						
Department of Commerce.....	36	51	45	33	48	42
505 Postal service:						
Post Office Department.....	874	806	565	797	802	554
506 Advancement of business:						
Department of Commerce.....	300	292	324	184	258	355
Department of the Interior.....				—1	*	—1
Other independent agencies:						
Alaska International Rail and Highway Commission.....				*	*	
Interstate Commerce Commission.....	15			15		
Small Business Administration.....	227	309	215	230	213	262
Total 506.....	542	601	540	427	472	617
507 Area redevelopment:						
Funds appropriated to the President ¹		900			300	400
Department of Commerce.....	171	162	240	7	45	121
Total 507.....	171	1,062	240	7	345	521
508 Regulation of business:						
Department of Commerce.....	3	4	4	3	4	4
Department of Justice.....	6	6	7	5	6	6
Other independent agencies:						
Civil Aeronautics Board.....	9	10	11	8	9	11
Federal Communications Commission.....	13	15	16	13	14	17
Federal Maritime Commission.....	1	2	3	1	2	3
Federal Trade Commission.....	10	12	13	10	12	13
Interstate Commerce Commission.....	22	24	25	22	23	25
Securities and Exchange Commission.....	11	13	14	11	13	15
Total 508.....	76	85	94	74	84	94
Total, commerce and transportation.....	3,126	4,039	3,091	2,774	3,325	3,388
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Housing and Home Finance Agency.....	330	260	164	88	170	—145
Other independent agencies: Federal Home Loan Bank Board.....				—237	—278	—292
Total 551.....	330	260	164	—149	—108	—437
552 Public housing programs:						
Housing and Home Finance Agency.....	179	195	221	163	179	205

See footnotes at end of table, p. 121.

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Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
553 Urban renewal and community facilities:						
Housing and Home Finance Agency.....	52	43	144	261	365	417
555 National Capital region:						
Other independent agencies:						
Commission of Fine Arts.....	*	*	*	*	*	*
Interstate Commission on the Potomac River Basin.....	*	*	*	*	*	*
National Capital Housing Authority.....	*	*	*	*	*	*
National Capital Planning Commission.....	1	1	1	1	2	2
National Capital Transportation Agency.....	2	3	2	1	3	3
District of Columbia.....	65	60	67	72	83	86
Total 555.....	68	64	70	74	89	91
Total, housing and community development.....	630	561	599	349	525	276
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare.....	1,466	1,723	1,912	1,128	1,392	1,642
652 Labor and manpower:						
Department of the Interior.....	7	8	9	7	8	8
Department of Labor.....	575	285	468	551	172	374
Other independent agencies:						
Federal Coal Mine Safety Board of Review.....	*	*	*	*	*	*
Federal Mediation and Conciliation Service.....	5	5	6	4	5	6
National Labor Relations Board.....	19	21	23	19	21	23
National Mediation Board.....	2	2	2	2	2	2
President's Advisory Committee on Labor-Management Policy.....	*	*	*	*	*	*
Railroad Retirement Board.....	10			7		
Total 652.....	618	322	509	591	209	414
653 Public assistance:						
Department of Health, Education, and Welfare.....	2,470	2,865	3,031	2,437	2,899	3,023
655 Other welfare services:						
Funds appropriated to the President.....	46	25	20	15	35	30
Department of Agriculture.....	341	362	284	261	266	284
Department of Health, Education, and Welfare.....	104	117	217	93	115	208
Other independent agencies: Railroad Retirement Board.....			12			12
Total 655.....	491	504	533	368	415	534
Total, health, labor, and welfare.....	4,982	5,414	5,984	4,524	4,915	5,613

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
700 EDUCATION						
701 Assistance for elementary and secondary education:						
Department of Health, Education, and Welfare.....	382	419	455	337	375	422
702 Assistance for higher education:						
Department of Health, Education, and Welfare.....	132	149	153	122	145	152
Housing and Home Finance Agency.....	300	300	300	227	374	218
Total 702.....	432	449	453	350	519	370
703 Assistance to science education and basic research:						
Other independent agencies: National Science Foundation.....	263	322	589	183	238	343
704 Other aids to education:						
Legislative Branch.....	17	20	21	17	20	21
Department of Health, Education, and Welfare ²	104	113	133	96	105	122
Department of the Interior.....	72	83	93	69	78	90
Other independent agencies: Smithsonian Institution.....	16	14	24	26	26	25
Total 704.....	209	231	271	207	229	257
New educational program (proposed legislation).....			1,215			144
Total education.....	1,285	1,421	2,983	1,076	1,361	1,537
800 VETERANS BENEFITS AND SERVICES						
801 Veterans service-connected compensation:						
Veterans Administration.....	2,017	2,085	2,061	2,017	2,085	2,061
802 Veterans non-service-connected pensions:						
Veterans Administration.....	1,428	1,733	1,800	1,635	1,736	1,800
803 Veterans readjustment benefits:						
Veterans Administration.....	638	355	251	388	317	193
804 Veterans hospitals and medical care:						
Veterans Administration.....	1,110	1,171	1,217	1,084	1,152	1,188
805 Other veterans benefits and services:						
Department of Defense—Civil functions.....	10	10	11	9	11	11
Department of Labor.....	1	1	1	1	1	1
Veterans Administration.....	254	250	251	267	242	229
Other independent agencies: American Battle Monuments Commission.....	1	2	2	2	2	2
Total 805.....	267	263	264	279	255	242
Total, veterans benefits and services.....	5,460	5,607	5,594	5,403	5,545	5,484

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
850 INTEREST						
851 Interest on the public debt:						
Treasury Department.....	9,120	9,700	10,020	9,120	9,700	10,020
852 Interest on refunds of receipts:						
Treasury Department.....	68	71	71	68	71	71
853 Interest on uninvested funds:						
Treasury Department.....	10	11	12	10	11	12
Total, interest.....	9,198	9,782	10,103	9,198	9,782	10,103
900 GENERAL GOVERNMENT						
901 Legislative functions:						
Legislative Branch.....	107	129	119	135	139	132
902 Judicial functions:						
The Judiciary.....	59	66	69	57	65	69
Other independent agencies: Indian Claims Commission.....	*	*	*	*	*	*
Total 902.....	60	66	69	57	66	69
903 Executive direction and management:						
Executive Office of the President.....	20	18	22	19	20	22
Funds appropriated to the President.....	1	1	1	1	2	1
Treasury Department.....	1	2	2	1	2	2
General Services Administration.....		*	*	*	*	*
Total 903.....	23	22	26	22	24	25
904 Central fiscal operations:						
Treasury Department.....	620	682	777	608	673	762
Other independent agencies:						
General Accounting Office.....	43	45	47	41	44	47
Renegotiation Board.....	3	2	3	3	2	3
Tax Court of the United States.....	2	2	2	2	2	2
Total 904.....	668	731	828	653	722	813
905 General property and records management:						
General Services Administration.....	566	612	630	412	505	567
Other independent agencies: Central Intelligence Agency.....				7	3	*
Total 905.....	566	612	630	419	508	567
906 Central personnel management:						
Department of Labor.....	68	66	58	68	66	58
Other independent agencies: Civil Service Commission.....	92	73	48	85	74	50
Total 906.....	160	139	107	153	140	108

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
908 Protective services and alien control:						
Department of Justice.....	291	312	349	289	311	331
Treasury Department.....	9	11	13	9	11	12
Other independent agencies:						
Civil Service Commission.....	*	1	1	*	1	1
Commission on Civil Rights.....	1	1	1	1	1	1
Subversive Activities Control Board.....	*	*	*	*	*	*
Total 908.....	302	325	364	300	323	345
910 Other general government:						
Legislative Branch.....	5	11	9	2	-1	2
Funds appropriated to the President.....	6	3	3	6	3	3
Department of Defense—Civil functions.....	30	36	48	30	38	53
Department of the Interior.....	24	41	36	25	38	38
Treasury Department.....	77	40	39	73	41	39
Other independent agencies:						
Advisory Commission on Intergovernmental Relations.....	*	*	*	*	*	*
Historical and memorial commissions.....	*	*	*	*	*	*
Total 910.....	143	131	135	136	120	135
Total, general government.....	2,028	2,154	2,277	1,875	2,041	2,195
Allowances, undistributed:						
Comparability pay adjustment.....			200			200
Contingencies.....		100	250		75	175
Interfund transactions (—) ³.....				-633	-646	-679
Total administrative budget.....	92,862	103,192	107,927	87,787	94,311	98,802
TRUST FUNDS						
050 NATIONAL DEFENSE						
Funds appropriated to the President.....	869	861	953	361	435	571
Department of Defense—Military functions.....	5	5	5	5	5	5
Other agencies.....	*			*		
Total national defense.....	874	866	958	366	440	576
150 INTERNATIONAL AFFAIRS AND FINANCE						
Funds appropriated to the President.....	1	3	3	2	2	3
Department of Justice.....				5	33	57
Department of State.....	*	*	*	*	*	*
Foreign Claims Settlement Commission.....		24	48	*	1	55
Other agencies.....	5	10	8	7	11	8
Total international affairs and finance.....	6	37	59	15	47	123

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS—Continued						
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
Department of Agriculture.....	24	25	26	58	25	27
Farm Credit Administration.....				374	400	365
Total agriculture and agricultural resources.....	24	25	26	432	425	392
400 NATURAL RESOURCES						
Department of Defense—Civil functions.....	17	22	17	16	26	21
Department of Agriculture.....	23	24	25	19	20	21
Department of the Interior.....	94	72	70	78	76	84
Total natural resources.....	134	118	111	112	122	126
500 COMMERCE AND TRANSPORTATION						
Department of Commerce.....	3,362	3,589	3,711	2,817	3,019	3,397
Federal Deposit Insurance Corporation.....				—154	—165	—162
Other agencies.....	*	*	*	*	*	*
Total commerce and transportation.....	3,362	3,589	3,711	2,662	2,854	3,235
550 HOUSING AND COMMUNITY DEVELOPMENT						
Housing and Home Finance Agency.....	251	170	203	317	250	485
Federal Home Loan Bank Board.....				872	—100	150
District of Columbia.....	318	344	386	334	388	400
Other agencies.....		1		*	*	*
Total housing and community development.....	570	515	589	1,522	539	1,036
650 HEALTH, LABOR, AND WELFARE						
Department of Health, Education, and Welfare.....	13,087	14,922	16,746	14,359	15,765	16,650
Department of Labor.....	3,985	4,042	4,288	3,906	3,750	3,770
Civil Service Commission.....	2,075	2,152	2,331	976	1,177	1,275
Railroad Retirement Board.....	1,081	1,111	1,219	1,135	1,112	1,099
Other agencies.....	11	9	9	5	8	9
Total health, labor, and welfare.....	20,239	22,236	24,593	20,382	21,812	22,802
700 EDUCATION						
Legislative Branch.....	1	1	1	1	1	1
National Science Foundation.....	*	*	*	*	*	*
Smithsonian Institution.....	*	*	*	*	*	*
Total education.....	1	1	1	1	1	1

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS—Continued						
800 VETERANS BENEFITS AND SERVICES						
Veterans Administration.....	720	737	730	724	871	548
Other agencies.....	6	6	7	9	7	7
Total veterans benefits and services.....	726	743	737	733	879	555
900 GENERAL GOVERNMENT						
Department of Labor.....	*	*	*	*	*	*
Treasury Department.....	15	16	18	16	16	18
General Services Administration.....	*	*	*	3	2	*
Other agencies.....	*	*	*	*	*	*
Total general government.....	15	16	18	20	19	19
Deposit funds.....				—517	628	—29
Interfund transactions (—) ³				—528	—491	—454
Total trust funds.....	25,952	28,147	30,803	25,201	27,275	28,382

¹ Public works acceleration program, which supplements expenditures in various other categories.² Amounts shown for 1964 include expenditures under proposed legislation, most of which will subsequently be charged to the three subcategories immediately preceding.³ Interfund transactions shown as deduct lines above are as follows:

	1962 actual	1963 estimate	1964 estimate
Administrative Budget			
Interest on loans to Government-owned enterprises:			
Commodity Credit Corporation.....	330	318	316
Expansion of Defense Production.....	8	6	3
Export-Import Bank of Washington.....	57	53	55
Housing and Home Finance Agency.....	146	155	176
Panama Canal Company.....	9	10	10
Small Business Administration.....	14	20	27
Veterans Administration.....	40	50	55
St. Lawrence Seaway Development Corporation.....	2	3	3
Other.....	14	16	17
Fees and other charges:			
Public enterprise funds for auditing.....	1	1	1
Panama Canal Co. for annuity payment and cost of Canal Zone Government.....	12	15	16
Total, administrative budget.....	633	646	679
Trust Funds			
Payments to employees' retirement fund receipts:			
District of Columbia government.....	6	6	6
District of Columbia employees' pay deductions.....	6	6	6
Payments between funds:			
FOASI fund from Federal disability insurance fund.....	2	2	3
Railroad retirement account from:			
FOASI trust fund.....	361	385	386
Unemployment trust fund.....	37	29	29
Federal disability insurance fund.....	11	10	10
Civil service retirement and disability fund to Foreign Service retirement fund.....	3	*	*
Unemployment trust fund from railroad retirement account.....	101	52	13
Total, trust funds.....	528	491	454

*Less than one-half million dollars.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
MISCELLANEOUS					
General and special funds—Continued					
Defense aid (permanent, indefinite, special fund).....	-2				(Only activity is recovery on prior expenditures.)
Obligations, defense aid, liquidation, lend-lease program.....	27				(Account is used only to pay old obligations.)
Total, miscellaneous.....	25				
Total, Funds Appropriated to the President.	4,169,606	{ 6,513,128 +4,696 }	{ 5,188,781 4,236,589 +138,432 }	-1,849,347	
Exp.	3,442,593	{ 4,308,329 +50,404 }		16,288	
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL RESEARCH SERVICE					
General and special funds:	159,558	{ 169,130 +4,696 }	{ 184,204 185,123 }	9,378	Increase is for staffing new laboratories, continuing hog cholera eradication, enlarging meat inspection staff, for a food consumption survey, and for increased pay costs.
Salaries and expenses.....	1,000	1,000			
Reappropriation.....	154,536	170,197		14,926	
Salaries and expenses (special foreign currency program).....	5,265	5,265	2,500	-2,765	Available prior-year balances of excess foreign currencies will permit continuation of market development research, economic research, and agricultural and forestry research.
	3,088	4,800	8,000	3,200	

State experiment stations.....355	NOA	35,803	166	---	---	---	(Activities were transferred to "Cooperative State Experiment Stations Service.")
	Exp.	35,711	---	---	---	166	
Construction of facilities.....355	NOA	800	---	---	---	---	(No additional major construction is proposed.)
	Exp.	1,516	4,600	2,329	---	---	
Diseases of animals and poultry.....355	Exp.	---	13	---	---	---	(Expenditures from this account will be completed in 1963.)
Animal disease laboratory facilities.....355	Exp.	539	306	---	---	---	(Construction in 1963 completes this installation at Ames, Iowa.)
Research facilities.....355	Exp.	3	---	---	---	---	(Expenditures from this account were completed in 1962.)
Research on strategic and critical materials.....355	Exp.	---	1	---	---	---	(Expenditures from this account will be completed in 1963.)
Establishment of an entomology research laboratory (indefinite special fund).....355	Exp.	---	400	---	---	---	(Expenditures from this account will be completed in 1963.)
Intragovernmental funds:							
Working capital fund, Agricultural Research Center.....355	Exp.	-117	---	---	---	---	
Total, Agricultural Research Service.	NOA	202,426	{ 175,395	186,704	6,613	---	
	Exp.	195,276	{ 14,696 } 180,483	195,452	14,969	---	
COOPERATIVE STATE EXPERIMENT STATION SERVICE							
General and special funds:							
Payments and expenses.....355	NOA	---	{ 38,207 } 40,383	40,383	2,117	---	Increase provides \$1 million for grants to land-grant colleges, and \$1 million for the new program of forestry research grants authorized by Public Law 87-788.
	Exp.	---	{ 159 } 38,156	40,288	2,132	---	

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
EXTENSION SERVICE					
General and special funds—Continued					
Cooperative extension work, pay- NOA	70,804	75,342	77,328	1,986	Increase is primarily for grants to the States for extension work.
ments and expenses.....355 Exp.	70,254	75,205	77,316	2,111	
FARMER COOPERATIVE SERVICE					
Salaries and expenses.....355 NOA	657	{ 682 }	{ 1,280 }	574	Increase is for additional research and technical assistance for farmers' cooperatives.
Exp.	651	{ +124 }	{ 1,175 }	478	
Intragovernmental funds:					
Advances and reimbursements.....355 Exp.	—10	17	68	51	
Total, Farmer Cooperative NOA	657	{ 682 }	{ 1,280 }	574	
Service.	641	{ +124 }	{ 1,243 }	529	
Exp.					
SOIL CONSERVATION SERVICE					
General and special funds:					
Conservation operations.....354 NOA	89,646	{ 90,646 }	{ 99,453 }	5,307	Increase provides \$750 thousand for staffing some 30 new conservation districts, \$1 million for additional staff in existing districts, \$520 thousand for additional soil surveys, and for increased pay costs.
Exp.	89,008	{ +13,500 }	{ 99,000 }	6,000	
Watershed protection.....354 NOA	53,752	{ 60,585 }	{ 63,992 }	2,574	Estimate will start construction of about 36 watershed projects, continue 223, complete 32, provide advance engineering for 122, and increase comprehensive river basin surveys.
Exp.	39,573	{ +13,833 }	{ 60,500 }	7,250	

Flood prevention.....354	NOA	24,994	{	25,000 ††343 25,900	}	25,576	233	Increase provides for a program at about the 1963 level on 11 authorized watersheds, and provides for increased pay costs.
Exp.		19,444	{	25,900	}	25,100	-800	
Great Plains conservation program.....354	NOA	10,166	{	12,250 ††109 10,576	}	14,640	2,281	Increase provides for an increased level of cost-share funds for contracts of 3 to 10 years' duration, and for increased pay costs.
Exp.		9,042	{	10,576	}	11,848	1,272	
Water conservation and utilization.....354	Exp.	2	2	3			-3	(Expenditures are expected to be completed in 1963.)
Resource conservation and development.....354	NOA					6,275	6,275	A new program to conserve and develop resources to maintain and enhance the level of economic activity will include planning in about 10-15 areas and starting about 5 projects.
Exp.						3,000	3,000	
Total, Soil Conservation Service.	NOA	178,558	{	188,481 ††4,785 182,729	}	209,936	16,670	
Exp.		157,069	{	182,729	}	199,448	16,719	
ECONOMIC RESEARCH SERVICE								
Salaries and expenses.....355	NOA	9,360	{	9,495 ††357 9,706	}	10,301	449	Increase will provide additional research on land and water resource economics, strengthen commodity outlook and foreign demand and trade activity, and cover increased pay costs.
Exp.		8,190	{	9,706	}	10,230	524	
STATISTICAL REPORTING SERVICE								
Salaries and expenses.....355	NOA	8,761	{	9,684 ††315 9,721	}	11,552	1,553	The program to improve crop and livestock estimating will be extended, automatic data processing will be expanded, and funds are provided for increased pay costs.
Exp.		7,674	{	9,721	}	11,333	1,612	
Intragovernmental funds:								
Advances and reimbursements.....355	Exp.	7						
Total, Statistical Reporting Service.	NOA	8,761	{	9,684 ††315 9,721	}	11,552	1,553	
Exp.		7,681	{	9,721	}	11,333	1,612	

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
AGRICULTURAL MARKETING SERVICE					
General and special funds:					
Marketing research and service:—355	37,961	{ 39,745 } +1,335	42,905	1,765	Supplemental in 1963 is for more effective supervision of commodity warehouses. Increase in 1964 will provide for increased workload in poultry inspection and regulatory activities, and increased pay costs.
Permanent:—	285	{ 41,093 } +55	42,777 } +5	1,634	
NOA Exp.	37,882				
Construction of facilities:—355			1,600	1,600	A facility at Dawson, Ga., is proposed, principally for peanut marketing research.
NOA Exp.			955	955	
Payments to States and possessions:—355	1,325	1,425	1,425		Matching payments are made to States for programs to improve marketing.
NOA Exp.	1,325	1,425	1,425		
Special milk program:—655		{ 104,997 } +5,000	102,000	2,003	Estimate covers proposed increase in the program, from 2.85 billion half-pints of milk to be furnished in 1963 to 2.98 billion in 1964.
NOA Exp.		97,497	102,000	4,503	
School lunch program:—655	125,000	124,993	137,000	12,007	Increase provides for growth in the program and for easing the impact of a legislative change in the formula for assistance to States. It also includes \$2 million for aid to needy schools.
NOA Exp.	45,000	45,000	45,000		
Permanent:—	169,112	169,493	182,000	12,507	
Perishable agricultural commodities act fund (permanent, indefinite, special fund):—355	665	729	913	184	An increase in license fee rates effective Jan. 1, 1963, allows improved administration of license system.
NOA Exp.	736	843	918	75	

Removal of surplus agricultural commodities (permanent, indefinite)-----351	NOA Exp.	272,668 214,833	264,853 224,973	308,183 200,000	43,330 -24,973	NOA is equal to 30% of, and increases with, certain customs receipts. It is available to expand outlets for farm commodities through donations to the school lunch program, charitable institutions, and needy persons, and through the food-stamp program.
Food stamp program-----351	NOA Exp.				25,000 24,000	
Intragovernmental funds: Advances and reimbursements-----355	Exp.	23	5		-5	Estimate is for proposed legislation to provide direct financing for the food stamp program.
Total, Agricultural Marketing Service.	NOA	482,904	{ 581,742 +60 +3,665 +535,329 +55 }	{ 639,026 +25,000 530,075 +24,005 }	{ 85,889 18,696 }	
Exp.		423,911				
FOREIGN AGRICULTURAL SERVICE						
General and special funds:						
Salaries and expenses-----355	NOA	12,457	{ 16,894 +247 }	{ 19,039 3,117 12,983 }	{ 1,898 1,935 }	Increase is largely in expanded market development work abroad in both dollar and soft currency areas, and for increased pay costs.
Permanent, indefinite-----	NOA Exp.	3,117 8,317	3,117 11,048			
Salaries and expenses (special foreign currency program)-----355	NOA Exp.	3,444 6,681	4,000 6,500	6,900	-4,000 400	There are adequate carryover balances of excess foreign currencies for this account.
Total, Foreign Agricultural Service.	NOA Exp.	19,018 14,998	{ 24,011 +247 17,548 }	{ 22,156 19,883 }	{ -2,102 2,335 }	
COMMODITY EXCHANGE AUTHORITY						
Salaries and expenses-----355	NOA	1,007	{ 1,022 +41 }	{ 1,095 1,090 }	32	Estimate will continue licensing, auditing, supervisory and investigative activities, and provide for increased pay costs.
Exp.		1,006	1,061		29	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE					
General and special funds—Continued					
Expenses, Agricultural Stabilization NOA and Conservation Service.....351 Exp.		95,345 93,426	114,944 114,500	19,599 21,074	Increase is to cover administration of the feed grain and wheat stabilization programs previously financed in part by the Commodity Credit Corporation.
Acreage allotments and marketing NOA quotas.....351 Exp.	44,098 43,995	97		—97	(Funds for this program are included in the above account.)
Sugar Act Program.....351 NOA Exp.	78,000 80,188	77,650 81,841	80,000 84,233	2,350 2,392	Increase in 1964 is for additional payments to sugar producers.
Agricultural conservation program.....354 Exp.	238,000 248,198	212,900 215,317	220,000 221,470	7,100 6,153	Estimate is for cost-sharing payments to farmers authorized in 1963; 1964 program is proposed at \$150 million, to be appropriated in 1965.
Land-use adjustment program.....351 NOA Exp.		16,000 16,000	27,000 27,000	21,000 21,000	Supplemental in 1963 is to begin a new program to shift grasslands released from the Conservation Reserve to trees and for additional adjustment payments. Increase in 1964 is to finance the full year.
Emergency conservation measures.....354 NOA Exp.	5,000 8,797	8,000	4,638	—3,362	(Payments are for cost-sharing assistance to farmers to rehabilitate lands damaged by natural disasters.)
Conservation reserve program.....351 NOA Exp.	312,000 343,988	300,000 302,506 302,506 302,506	294,000 294,000 294,000 294,000	—11,000 —13,506	Supplemental in 1963 is for payments under contract with producers. Requirements for annual rental payments will decrease in 1964 as contracts expire.
Special Agricultural Conservation and Adjustment Program.....351 NOA Exp.	18,500 16,000				Administration expenses of the feed grain program is now in "Expenses, Agricultural Stabilization and Conservation Service."

Intragovernmental funds:						
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.....	Exp.	-1,507	2,751	29	-2,722	(This account is merged with "Expenses, Agricultural Stabilization and Conservation Service.")
Local Administration, sec. 388, Agricultural Adjustment Act of 1938.....	Exp.	-4,510	8,404	58	-8,346	(This account is merged with "Expenses, Agricultural Stabilization and Conservation Service.")
Total, Agricultural Stabilization and Conservation Service.	NOA	695,598	{ 685,895 }	735,944	39,049	
	Exp.	735,149	{ †11,000 }	745,928	22,586	
			{ 712,342 }			
			{ †11,000 }			
FOREIGN ASSISTANCE PROGRAMS						
General and special funds:						
Public Law 480:						
Sale of commodities for foreign currencies.....	NOA	1,250,451	1,080,632	1,960,172	879,540	Appropriations are made to cover estimated CCC losses. Expenditures for these purposes, including the part which will be reimbursed to or recovered by CCC later, are summarized in the explanation under CCC below.
	Exp.	1,250,451	1,080,632	1,960,172	879,540	
Grants of commodities for famine relief.....	NOA	140,868	250,000	215,451	-34,549	
	Exp.	140,868	219,451	246,000	26,549	
Losses on long-term sales contracts.....	NOA	13,000	40,000	79,000	39,000	Appropriations are made to cover estimated CCC realized losses. Expenditures are summarized in the explanation under CCC below.
	Exp.	7,000	46,000	79,000	33,000	
International Wheat Agreement.....	NOA	70,681	81,218	92,356	11,138	
	Exp.	70,681	81,218	92,356	11,138	
Bartered materials for supplemental stockpile.....	NOA	125,000	125,000	82,860	-42,140	Appropriations are made for the value of materials acquired by barter and transferred to the supplemental stockpile. Expenditures are summarized in the explanation under CCC below.
	Exp.	125,000	125,000	82,860	-42,140	
Total Foreign Assistance Programs.	NOA	1,600,000	1,576,850	2,429,839	852,989	
	Exp.	1,594,000	1,552,301	2,460,388	908,087	

† Proposed for separate transmittal, other than pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
COMMODITY CREDIT CORPORATION					
Price Support and Related Programs and Special Milk					
Public enterprise funds:					
Price support and related pro- grams:					
Restoration of capital impair- ment.	936,429				
NOA					
Reimbursement for net realized losses.	(47,116)	2,278,455	2,799,400	520,945	Request is to cover 1962 realized losses. Decrease in expenditures is caused largely by reduction of unusually large volume of cotton placed under price support in 1963.
NOA	2,051,464	(43,188)	(43,875)	(687)	
Limitation on administrative expenses.		2,852,885	1,808,107	-1,044,778	
Exp.					
Special milk program:					
Restoration of capital impair- ment.	81,181				(Program is now being financed through an appropriation under the Agricultural Marketing Service.)
NOA					
Reimbursement for costs for special milk program	90,000	95,000			
Limitation on administrative expenses.	(800)	††-2,617			
Exp.	91,669	-1,228		1,228	
Total, price support and re- lated programs.	1,107,610	{ 2,373,455	{ 2,799,400	428,562	
NOA		††-2,617			
Exp.	2,143,133	2,851,657	1,808,107	-1,043,550	

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
COMMODITY CREDIT CORPORATION—Continued					
Special Activities—Continued					
Intragovernmental funds—Continued					
Reimbursement, etc.—Continued					
Transfer of long-staple cotton Exp. from national stockpile for sale by Commodity Credit Corporation-----351	1,945	472	106	-366	
Net expenditures of Commodity Credit Corporation:					
Foreign assistance programs... Exp.	415,007	265,536	-511,276	-776,812	
All other special activities..... Exp.	77,645	68,446	90,367	21,921	
Total, special activities fi- nanced by Commodity Credit Corporation.	1,937,193 492,652	69,165 333,982	69,000 -420,909	-165 -754,891	
Total, Commodity Credit Corporation (fund).	3,044,803	2,442,620 +2,617	2,868,400 1,387,198	428,397 -1,798,441	
	2,635,785	3,185,639			

FEDERAL CROP INSURANCE
CORPORATION

General and special funds:
Operating and administrative ex-
penses-----351 NOA
Exp.

Public enterprise funds:
Federal Crop Insurance Corpora-
tion Fund:
Limitation on administrative
expenses-----351 Exp.

Total Federal Crop Insurance
Corporation. NOA
Exp.

RURAL ELECTRIFICATION ADMIN-
ISTRATION

General and special funds:
Loans (authorization to expend
from debt receipts)-----353 NOA
Exp.

Salaries and expenses-----353 NOA
Exp.

Total, Rural Electrification
Administration. NOA
Exp.

6,550	6,797	7,210	413
6,120	7,034	7,554	520
(2,830)	{ (3,080)	{ (3,480)	(205)
1,114	{ (††195)	{ 2,066	3,641
	{ -1,575		
6,550	6,797	7,210	413
7,233	5,459	9,620	4,161
407,500	480,000	{ 495,000	{ -136,000
293,044	330,000	{ †-151,000	{ †-151,000
		{ 410,000	{ -71,000
		{ †-151,000	
10,024	{ 10,022	{ 11,344	882
9,920	{ ††440	{ 11,250	820
	{ 10,430		
417,524	{ 490,022	{ 506,344	{ -135,118
302,964	{ ††440	{ †-151,000	{ †-151,000
	{ 340,430	{ 421,250	{ -70,180
		{ †-151,000	

Increase is to provide crop insurance coverage in additional counties.

(Funds are provided within the limitation for increased pay costs. Con-
tingent liabilities of the fund are estimated at \$452 million.)

Proposal will increase electrification authorizations from \$400 million
to \$425 million (including \$75 million in reserve), and decrease tele-
phone authorizations from \$80 million to \$70 million. Legislation
will be proposed to permit estimated receipts of \$151 million to be
used and reduce NOA and net expenditures.

Increase will provide for additional staff and for increased pay costs.

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
FARMERS HOME ADMINISTRATION					
General and special funds—Continued					
Rural housing grants and loans 352 NOA Exp.	10,000 65	3,200	6,007	2,807	(Existing funds are sufficient for enlargement and development loans and repair and improvement grants through 1964.)
Loan authorizations: Authoriza- tion to expend from debt re- ceipts.....352	106,149	50,000 188,900	60,111	-50,000 -128,789	NOA provided in 1963 is for a new program of housing loans to elderly individuals in rural areas. Expenditures include other rural housing loans made from balances of prior NOA, and will decline in 1964 as insured loans under the proposed loan insurance program increase.
Salaries and expenses.....352 NOA	34,501	34,536 { 1270	39,367 { 15,350	8,729	Supplemental in 1963 is for workload related to the increase in the insured real estate loan program and the new rural housing for the elderly program. Increase in 1964 is for administrative costs of expanded programs and increased pay costs. Supplemental in 1964 will cover administrative expenses related to the proposed insured loan program.
Exp.	34,140	35,758 { 1250	38,909 { 14,691	7,592	
Rural renewal.....352 NOA Exp.			2,350 1,850	2,350 1,850	A newly authorized program provides technical and loan assistance to local public bodies for economic development in rural areas.
Public enterprise funds:					
Direct loan account:					
Authorization to expend from debt receipts.....352	326,000 71,621	81,987	69,446	-12,541	(Receipts will more than cover proposed \$360 million loan program and interest and incidental costs.)
Emergency credit revolving fund 352	35,441	12,571	3,053	-9,518	(Receipts and balances will finance estimated \$50 million program including administrative expenses.)

Agricultural credit insurance fund (indefinite permanent authori- zation to expend from debt receipts).....352	Exp.	-7,216	-5,658	-10,499	-4,841	This account has permanent authority to borrow from Treasury. Sale of loans will increase in 1964. (Contingent liabilities for insured loans are estimated at \$687 million.)
Rural housing for the elderly re- volving fund.....352	NOA Exp.		\$5,000 \$5,000	5,000 5,000		
Rural housing credit insurance fund.....352	NOA Exp.			\$100,000 \$50,000	\$100,000 \$50,000	Supplemental in 1963 will establish a revolving fund for loans to non- profit institutions to finance rental housing for the elderly in rural areas. Estimate in 1964 will increase the revolving fund capital. Legislation will be proposed to authorize a revolving fund to finance insured rural housing loans.
Total, Farmers Home Admin- istration.	NOA	370,501	{ 84,536 \$5,270 \$11,182 316,758 \$5,250	{ 46,717 \$105,350 173,877 \$54,691	{ 61,079 -93,440	
	Exp.	240,200	{ 316,758 \$5,250	{ 173,877 \$54,691	{ -93,440	
OFFICE OF RURAL AREAS DEVELOPMENT						New account continues the activity established in 1963 under General Administration.
General and special funds: Salaries and expenses.....355	NOA Exp.			134 124	134 124	
Intragovernmental funds: Advances and reimbursements.....355	Exp.	-296				Increase is for pay costs.
OFFICE OF THE GENERAL COUNSEL						
General and special funds: Salaries and expenses.....355	NOA	3,649	{ 3,693 \$1168 3,839	{ 3,987 3,882	126 43	
	Exp.	3,611				

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
OFFICE OF INFORMATION					
General and special funds—Continued					
Salaries and expenses.....355 NOA	1,591	{ 1,609 } +46	1,684	29	Increase is for pay costs.
Exp.	1,595	1,677	1,668	—9	
CENTENNIAL OBSERVANCE OF AGRICULTURE					
Salaries and expenses.....355 NOA	100				(The purposes of the account have been met.)
Exp.	41	59		—59	
NATIONAL AGRICULTURAL LIBRARY					
Salaries and expenses.....355 NOA	1,029	{ 1,154 } +34	1,695	507	Increase includes improvement of services to the scientific and technological community and increased pay costs.
Exp.	1,010	1,164	1,654	490	
Library facilities.....355 NOA			450	450	Provides for the preparation of plans and specifications for the National Agricultural Library.
Exp.			450	450	
Total, National Agricultural Library.	1,029	{ 1,154 } +34	2,145	957	
Exp.	1,010	1,164	2,104	940	

GENERAL ADMINISTRATION

Salaries and expenses.....355	NOA	3,096	{ 3,493 } 27	{ 3,975 }	311	Increase will strengthen general administration and provide for increased pay costs.
Permanent.....	NOA	-----	††144	-----	-----	
Exp.		3,003	3,757	3,986	229	
Defense food stockpiling.....059	NOA	-----	-----	†30,000	30,000	Legislation will be proposed to authorize the establishment of emergency food reserves at strategic locations.
Exp.		-----	-----	†30,000	30,000	
Intragovernmental funds:						
Working capital fund.....355	Exp.	-172	28	28	-----	
Total, general administration.	NOA	3,096	{ 3,520 } { †144 } 3,785	{ 3,975 } †30,000 4,014 †30,000	{ 30,311 } 30,229	
Exp.		2,831	-----	-----	-----	

FOREST SERVICE

General and special funds:						
Forest protection and utilization.....402	NOA	204,389	{ 179,706 } { †12,000 } ††3,800	{ 190,397 }	{ -5,109 }	Supplemental in 1963 is for firefighting. Apparent decrease in 1964 results from a lower estimate for firefighting offset by increases for timber sales activities and increased pay costs.
Cooperative range improve- ments (special fund).	NOA	700	700	700	-----	
Exp.		190,140	{ 192,641 } { †11,000 }	{ 189,550 } †1,000	{ -13,091 }	
Forest roads and trails (contract authorization).....402	NOA	-----	80,000	-----	5,000	Supplemental in 1963 is to meet contract commitments previously au- thorized. Addition to liquidating cash in 1964 will expand program.
Permanent.....	NOA	40,000	-----	85,000	-----	
Appropriation to liquidate con- tract authorization.	Exp.	(35,000)	{ (37,500) } { †7,000 }	{ (66,400) }	(21,900)	
Exp.		32,278	{ 41,539 } { †7,000 }	66,400	17,861	
Access roads.....402	NOA	2,000	2,000	-----	-2,000	Prior balances will acquire interests in roads or rights-of-way; future activity will be financed in "Forest roads and trails."
Exp.		209	2,600	1,000	-1,600	

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
FOREST SERVICE—Continued					
<i>General and special funds—Continued</i>					
<i>Acquisition of lands for national forests:</i>					
Superior National Forest... 402 NOA Exp.	250	2,000	1,500	-2,000	Prior balances are used to acquire lands in the Superior National Forest.
	268	1,000		500	
Special acts (indefinite, special fund)..... 402 NOA	10	30	70	40	Certain forest receipts, otherwise payable to counties in Utah, Nevada, and California, are appropriated to acquire lands within national forests.
	16	27	50	23	
Cache National Forest..... 402 Exp.	10	50	50	—	Prior balances are used to acquire lands in the Cache National Forest.
Wasatch National Forest... 402 NOA			20	20	New appropriation will permit purchases of land authorized by Public Law 87-661.
			10	10	
Assistance to States for tree planting..... 402 NOA	1,000	1,000	1,000	—	Aid is given, mainly through grants, for reforestation work.
	462	1,000	1,000	—	
Expenses, brush disposal (permanent, indefinite, special fund) 402 NOA	7,699	9,000	9,000	—	Certain receipts from purchasers of timber are applied to brush disposal.
	6,077	7,500	8,000	500	
Roads and trails for States, national forests fund (permanent, indefinite, special fund)..... 402 NOA	10,024	10,900	12,000	1,100	Permanent law makes available 10% of national forest receipts for construction and maintenance of roads and trails in national forests within the States from which the receipts were derived.
	10,024	10,900	12,000	1,100	
Forest fire prevention (permanent, indefinite, special fund)..... 402 NOA	20	20	20	—	Fees for use of "Smokey Bear" are available for forest fire prevention campaign.
	26	20	20	—	
Restoration of forest lands and improvements (permanent, indefinite, special fund)..... 402 NOA	10	196	100	-96	Receipts from claims settlements and forfeitures of deposits are used for restorations.
	6	150	100	-50	

Payments to Minnesota) Cook, Lake, and St. Louis Counties) from the national forest fund (permanent, indefinite, special fund)-----402	NOA Exp.	124 124	125 125	128 128	3 3	Certain receipts are distributed to 3 counties in which Superior National Forest lands are located.
Payments to counties, national grasslands (permanent, indefi- nite, special fund)-----402	NOA Exp.	421 417	425 429	438 438	13 9	Of receipts from use of national grasslands, 25% is paid to the counties involved for schools and roads.
Payments to school funds, Arizona and New Mexico, Act of June 20, 1910 (receipt limitation) (permanent, indefinite)-----402	NOA Exp.	99 99	80 80	100 100	20 20	These States are paid a share of the National Forest receipts for school purposes.
Payments to States, national for- ests fund (permanent, indefinite, special fund)-----402	NOA Exp.	25,056 25,056	27,235 27,235	30,000 30,000	2,765 2,765	With minor exceptions, 25% of the National Forest receipts goes to the States for schools and roads.
Intragovernmental funds:						
Consolidated working fund-----	Exp.	-286	278	-----	-278	
Working capital fund, Forest Service-----402	Exp.	610	-486	-100	386	
Total, Forest Service-----	NOA	291,802	313,417 12,000 13,800 285,088 18,000	328,973 310,246 1,000	-244 8,158	
Total, Department of Agri- culture.	NOA	7,409,736	6,714,174 128,330 110,056 7,449,665 134,305 19,526	8,135,113 19,350 6,606,127 1,304 1530	1,391,903 -928,143	

† Proposed for separate transmittal, other than pay increase supplementals.
 †† Proposed for separate transmittal, pay increase supplementals.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

General and special funds:

SALARIES AND EXPENSES

For expenses necessary to perform [agricultural] research [relating to production, utilization, and home economics, to control and eradicate pests and], plant and animal [diseases, and to perform related inspection, quarantine and regulatory work] *disease and pest control*, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except greenhouses connecting greenhouses) shall not exceed [\$15,000] \$25,000, except for [four] five buildings to be constructed or improved at a cost not to exceed [\$30,000] \$50,000 each [and one building to be constructed at a cost not to exceed \$50,000], and the cost of altering any one building during the fiscal year shall not exceed [\$5,000] \$10,000 or [5] 10 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for [conversion of animal disease and parasite research] facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products, [home economics] *nutrition and consumer use of agricultural and associated products*, and related research and services, and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100, [\$77,473,000; plus additional amounts for research as follows: \$325,000 for staffing new research laboratories, \$670,000 for research on cost of production, and \$4,875,000 for expanded utilization research; and plus the following amounts, to remain available until expended, for construction, alteration and equipping of facilities: \$395,000 for soil and water research facilities at Sidney, Montana, \$450,000 for poultry research facilities at East Lansing, Michigan, \$400,000 for Mandan, North Dakota, \$125,000 for the Southern Piedmont soil and water facility, \$585,000 for Tucson, Arizona, \$500,000 for the regional tree fruit and nut crops station in the Southeast, \$165,000 for the research station at Carbondale, Illinois, and \$160,000 for improvement of heating, water and electrical systems at the Agricultural Research Center at Beltsville, Maryland; in all, \$86,123,000] \$90,554,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113(a)): *Provided further*, That the Secretary of Agriculture is authorized to acquire approximately two-tenths of an acre of land at Pasadena, California;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), [\$58,055,500] \$65,148,000, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That, \$150,000 shall be available, notwithstanding the foregoing limitations, for the construction and equipping of facilities and acquisition of the necessary land therefor by purchase, donation, or exchange: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year [1964] 1965 that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from

other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, [\$25,000,000] \$28,502,000.

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research". (5 U.S.C. 511-512, 524, 541c-541e, 563-564, 565a, 576, 2131; 7 U.S.C. 135-135k, 145-148a, 148c-164a, 166-167, 281-283, 391, 394-396, 401-404, 421-422a, 424-425, 427, 427i, 428a, 429-431, 433-434, 436-437, 851-855, 1292, 1651-1656, 1704, 1901-1906; 15 U.S.C. 69e; 16 U.S.C. 581-581a, 581f, 590a-590b, 590f, 590k; 18 U.S.C. 287; 19 U.S.C. 1201, 1306; 20 U.S.C. 191-194; 21 U.S.C. 71-91, 94-96, 98, 101-105, 111-114c, 114e-131, 151-158, 342a, 346-346a; 26 U.S.C. 4817, 7235c; 31 U.S.C. 725a; 42 U.S.C. 1476b-1476d, 1483, 1891-1893; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 48 U.S.C. 1409m-1409o; 49 U.S.C. 1474(a), 1509; 46 Stat. 67; 76 Stat. 129-132, 169, 437, 663, 762; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Research:			
(a) Farm research.....	56,261	58,941	61,148
(b) Utilization research and development.....	18,481	24,429	24,999
(c) Nutrition and consumer use research.....	2,595	2,809	3,567
(d) Construction of facilities.....		400	2,380
(e) Contingencies.....		1,000	1,000
Total, research.....	77,337	87,579	93,094
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control.....	22,695	25,472	26,145
(b) Animal disease and pest control.....	30,167	35,174	37,454
(c) Pesticides regulation.....	1,157	1,367	1,564
Total, plant and animal disease and pest control.....	54,018	62,013	65,163
3. Meat inspection.....	24,188	26,279	28,527
Total program costs, funded ¹	155,544	175,871	186,784
Change in selected resources ²	159	-175	-500
Total obligations.....	155,703	175,696	186,284
Financing:			
Comparative transfers to or from (-) other accounts.....	310		
Reimbursements for emergency preparedness functions.....			-200
Unobligated balance brought forward (-).....		-2,750	-1,880

AGRICULTURAL RESEARCH SERVICE—Continued**General and special funds—Continued****SALARIES AND EXPENSES—Continued****Program and Financing (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
Financing—Continued			
Unobligated balance carried forward.....	2,750	1,880	
Unobligated balance lapsing.....	1,795		
New obligational authority.....	160,558	174,826	184,204
New obligational authority:			
Appropriation.....	159,630	169,178	184,204
Transferred to (—):			
"Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728).....	—72	—45	
"Salaries and expenses, general administration" (76 Stat. 1212).....		—3	
Appropriation (adjusted).....	159,558	169,130	184,204
Reappropriation.....	1,000	1,000	
Proposals due to pay increases:			
Supplemental appropriation.....		1,471	
Transfers from "Special milk program," Agricultural Marketing Service.....		3,225	

¹ Includes capital outlay as follows: 1962, \$7,396 thousand; 1963, \$6,900 thousand; 1964, \$9,200 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjustments	1962	1963	1964
Stores.....	421		387	387	387
Unpaid undelivered orders.....	7,830	136	8,134	7,959	7,459
Advances.....	858		883	883	883
Total selected resources.....	9,109	136	9,404	9,229	8,729

The Service conducts basic and applied research relating to the production and utilization of agricultural products, research on nutrition and consumer use, and carries out those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

1. *Research*—(a) *Farm research*.—Improved breeding, feeding, and management practices are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases and parasites affecting them.

Investigations are conducted to improve varieties of food, feed, fiber and other plants, and to develop new crops; to improve crop-production practices, including methods to control plant diseases and nematodes; and to improve chemical, biological, and other methods for control of harmful pests affecting farm production.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plants, animals, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

Continuous review is maintained to emphasize work which will meet the problems of agricultural surpluses. The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural

products of desired quality at minimum costs. Increased attention has been given to the production of agricultural products having industrial uses. The proportion of farm research funds going into basic research has steadily increased, and is currently estimated at 38% of the total funds for research. This basic research undergirds the other research efforts.

(b) *Utilization research and development*.—Chemical, physical, and biological research is conducted to develop increased industrial uses of farm products, and new and improved foods, feeds, and fabrics; and to develop improved methods for processing agricultural commodities.

(c) *Nutrition and consumer use research*.—Studies are made of nutrition, consumer use and food economics, and clothing and housing.

(d) *Contingency research fund*.—Beginning in 1962, \$1 million is available to meet urgent research needs that develop unexpectedly during the year, when such needs cannot be met by redirection of resources from other projects.

The 1964 estimates include increases for staffing research laboratories recently authorized by Congress; for a nationwide food consumption survey; and for research on water management and engineering, livestock, and insect problems. These are partially offset by decreases due to elimination of 1963 construction items.

2. *Plant and animal disease and pest control*.—(a) *Plant disease and pest control*.—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases, and nematodes that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. Increases proposed in 1964 for strengthening plant quarantine protection necessary at ports-of-entry because of increased travel and shipping and to meet the cost of space rentals at international airports are more than offset by a reduction in the plant pest control activities relating to the eradication of the fire ant and gypsy moth pests. The volume of workload is indicated in the following table (in thousands):

	1960 actual	1961 actual	1962 actual
Inspections at ports of entry:			
Airplanes.....	139	130	137
Vessels.....	60	57	60
Vehicles from Mexico.....	22,657	24,250	24,753
Baggage, pieces of.....	22,025	22,637	23,514
Interceptions of unauthorized plant material.....	314	324	385

(b) *Animal disease and pest control*.—Programs are conducted to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases; and to maintain, through a marketing agreement with manufacturers and handlers, adequate supplies of hog cholera virus and serum for protection of swine. The estimates for 1964 propose increases for more adequate animal inspection and quarantine at ports to reduce the hazard of introduction of foreign animal diseases; expansion of the hog cholera eradication program and activities relating to veterinary biologics under the Virus Serum Toxin Act. Funds are requested for continuation of the screwworm eradication program in the Southwest. The increases are partially

offset by a decrease of \$150 thousand due to elimination of 1963 construction items.

The volume of protective activities is indicated by selected examples in the following table (in thousands):

	1960 actual	1961 actual	1962 actual
Animal import inspection:			
All animals.....	783	741	1,306
Import animal byproducts:			
Wool, bone, glands, etc. (pounds) ..	965,480	606,325	759,819
Hides and skins (pounds) ..	360,043	257,121	317,109
Sheep inspected for scabies ..	10,837	12,031	12,772
Scabies-infected sheep found ..	86	70	62
Cattle inspected for scabies ..	6,927	7,661	8,159
Scabies-infected cattle found ..	30	36	2
Inspections and dippings for cattle fever ticks ..	1,685	2,594	2,403
Cattle tested for tuberculosis ..	9,440	9,788	9,219
Tuberculosis reactors found ..	14	15	11
Lots tested for brucellosis:			
Blood tests ..	1,186	1,333	1,552
Ring tests ..	1,594	1,745	1,725
Brucellosis reactors found ..	148	140	127
Animals inspected at public stockyards ..	65,500	60,265	59,033
Diseased animals received or found ..	446	391	477
Supervision of production of veterinary biologics:			
Hog-cholera virus and anti-hog-cholera serum (doses) ..	41,645	37,970	38,388
Hog-cholera vaccine (doses) ..	38,035	37,452	53,974
Other vaccines (doses) ..	3,432,446	4,471,761	4,288,335
Total bacterins (doses) ..	121,224	131,484	169,568
Diagnostic agents (doses) ..	62,097	48,185	65,239
Other serums (doses) ..	9,832	7,715	7,265

(c) *Pesticides regulation.*—This activity is concerned with administration of the Federal Insecticide, Fungicide, and Rodenticide Act, and related provisions of the Federal Food, Drug, and Cosmetic Act. The 1964 estimates propose an increase of \$148 thousand to handle increased registration and enforcement activities.

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and wholesome meat supply for human consumption, free from adulteration, and truthfully labeled. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling, and meats imported or exported are inspected. The estimates for 1964 include a proposed increase for additional inspection staff to service the expanding demand for Federal meat inspection.

The volume of inspections and examinations is indicated by examples given in the following table:

	1960 actual	1961 actual	1962 actual
Number of establishments covered ..	1,396	1,451	1,511
Cities in which plants are located ..	572	599	623
Inspection of live animals ..	107,504,884	104,329,407	107,108,967
Post mortem inspections ..	107,499,826	104,324,593	107,104,052
Animals and carcasses condemned ..	255,632	285,161	283,969
Inspection of processed meat and meat-food products (million pounds) ..	18,698	18,461	18,806

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL RESEARCH SERVICE			
11 Personnel compensation:			
Permanent positions ..	96,082	108,430	116,491
Positions other than permanent ..	4,789	5,100	4,738
Other personnel compensation ..	994	1,045	2,073
Total personnel compensation ..	101,865	114,575	123,303
12 Personnel benefits ..	7,690	8,610	9,383
21 Travel and transportation of persons ..	4,858	5,420	5,687

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL RESEARCH SERVICE—Continued			
22 Transportation of things ..	869	1,015	1,027
23 Rent, communications, and utilities ..	2,871	2,960	3,356
24 Printing and reproduction ..	961	1,030	1,035
25 Other services ..	11,316	14,386	13,474
Services of other agencies ..	5,179	5,755	5,875
26 Supplies and materials ..	11,013	11,603	11,595
31 Equipment ..	5,969	6,320	6,404
32 Lands and structures ..	797	1,175	879
41 Grants, subsidies, and contributions:			
Grants for basic research ..		200	200
Payment to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease ..	18	22	22
42 Insurance claims and indemnities:			
Indemnities:			
Tuberculosis ..	277	300	300
Brucellosis ..	1,642	1,500	1,400
Scrapie of sheep ..	427	250	250
Anaplasmosis ..		1	1
Hog cholera ..		75	535
Claims—Federal Tort Claims Act ..	32		
Subtotal ..	155,786	175,197	184,725
Deduct quarters and subsistence charges ..	100	101	101
Total, Agricultural Research Service ..	155,686	175,096	184,624
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services ..	17	207	123
32 Lands and structures ..		393	1,537
Total, General Services Administration ..	17	600	1,660
Total obligations ..	155,703	175,696	186,284

Personnel Summary

Total number of permanent positions ..	16,670	17,821	18,100
Full-time equivalent of other positions ..	1,214	1,261	1,158
Average number of all employees ..	15,926	17,124	17,520
Number of employees at end of year ..	18,059	18,790	19,530
Average GS grade ..	8.0	8.0	8.0
Average GS salary ..	\$6,717	\$7,182	\$7,193
Average salary of ungraded positions ..	\$4,547	\$4,582	\$4,676

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a) (k)), to remain available until expended, **[\$5,265,000] \$2,600,000: Provided,** That this appropriation shall be available, in addition to other appropriations for these purposes, for the purchase of the foregoing currencies: *Provided further,* That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further,* That not to exceed \$25,000 of this appropriation shall be available for purchase of foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (*Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

AGRICULTURAL RESEARCH SERVICE—Continued**General and special funds—Continued****SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Market development research (sec. 104(a)).....	1,823	2,600	3,900
2. Agricultural and forest research (sec. 104(k)).....	1,835	2,900	4,900
Total program costs, funded ¹	3,658	5,500	8,800
Change in selected resources ²	5,091	10,501	7,201
Total obligations.....	8,749	16,001	16,001
Financing:			
Comparative transfers from other accounts (—).....	—596	—934	—
Unobligated balance brought forward (—).....	—26,192	—23,303	—13,501
Unobligated balance carried forward.....	23,303	13,501	—
New obligational authority (appropriation)	5,265	5,265	2,500

¹ Includes capital outlay as follows: 1962, \$14 thousand; 1963, \$14 thousand; 1964, \$10 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$7,177 thousand; 1962, \$12,268 thousand; 1963, \$22,769 thousand; 1964, \$29,970 thousand.

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) and for agricultural and forestry research under section 104(k) of the Act. Work is carried on through agreements, in both basic and applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. It also provides for supplementary research on farm, forest, marketing, utilization, agricultural economics, and human nutrition problems. Total estimated cost in U.S. dollars (charged to regular appropriations) for the initiation and supervision of projects in 1964 is \$317 thousand.

In 1964, it is proposed that foreign currencies also be used for translations of foreign language scientific publications, as authorized by section 104(k) of the act.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	43	50	50
Positions other than permanent.....	—	21	21
Other personnel compensation.....	6	7	8
Total personnel compensation.....	49	78	79
12 Personnel benefits.....	16	15	15
21 Travel and transportation of persons.....	53	126	120
22 Transportation of things.....	2	6	6
23 Rent, communications, and utilities.....	9	10	10
25 Other services.....	8,557	15,709	15,609
Services of other agencies.....	44	45	150
26 Supplies and materials.....	2	2	2
31 Equipment.....	18	10	10
Total obligations.....	8,749	16,001	16,001

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	15	15	15
Full-time equivalent of other positions.....	—	3	3
Average number of all employees.....	15	20	20
Number of employees at end of year.....	13	18	18
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$6,717	\$7,182	\$7,193
Average salary of ungraded positions.....	\$4,547	\$4,582	\$4,676

CONSTRUCTION OF FACILITIES**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Construction of facilities (program costs, funded).....	2,523	3,912	1,972
Change in selected resources ¹	922	539	—1,772
Total obligations.....	3,446	4,451	200
Financing:			
Unobligated balance brought forward (—).....	—7,296	—4,651	—200
Unobligated balance carried forward.....	4,651	200	—
New obligational authority (appropriation)	800	—	—

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$311 thousand; 1962, \$1,233 thousand; 1963, \$1,772 thousand; 1964, \$0.

Funds were appropriated in 1962 for construction of facilities for research at two locations. In 1963 funds for similar construction items are included in the Salaries and expenses appropriation.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL RESEARCH SERVICE			
22 Transportation of things.....	2	—	—
25 Services of other agencies.....	4	129	—
31 Equipment.....	3	5	80
32 Lands and structures.....	214	193	50
Total, Agricultural Research Service.....	223	327	130
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	87	133	70
32 Lands and structures.....	3,136	3,991	—
Total, General Services Administration.....	3,222	4,124	70
Total obligations.....	3,446	4,451	200

STATE EXPERIMENT STATIONS**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Financing:			
Comparative transfer to other accounts.....	35,766	—	—
Unobligated balance lapsing.....	37	—	—
New obligational authority.....	35,803	—	—

ANIMAL DISEASE LABORATORY FACILITIES

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Facility for animal disease research and control (program costs, funded)-----	331	289	-----
Change in selected resources ¹ -----	-88	-33	-----
Total obligations-----	244	256	-----
Financing:			
Unobligated balance brought forward (-)-----	-499	-256	-----
Unobligated balance carried forward-----	256		-----
New obligatory authority-----			-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$121 thousand; 1962, \$33 thousand; 1963, \$0.

In previous years, \$16.5 million had been provided for establishment of animal disease research and control laboratory facilities. Construction of the facilities at Ames, Iowa, was started in August 1958. The laboratory buildings were completed in fiscal year 1961. Construction of needed storage and other facilities in fiscal year 1963 will complete the installation under this appropriation.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL RESEARCH SERVICE			
32 Lands and structures-----	66	233	-----
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons-----	2	-----	-----
25 Other services-----	9	3	-----
32 Lands and structures-----	167	20	-----
Total, General Services Administration--	178	23	-----
Total obligations-----	244	256	-----

RESEARCH FACILITIES

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Facilities for research on foot-and-mouth and other diseases of animals (program costs, funded)-----	3	-----	-----
Change in selected resources ¹ -----	-3	-----	-----
Total obligations-----			-----
Financing:			
Recovery of prior year obligations-----	-1	-----	-----
Unobligated balance lapsing-----	1	-----	-----
New obligatory authority-----			-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$4 thousand (1962 adjustments, -\$1 thousand); 1962, \$0; 1963, \$0.

ESTABLISHMENT OF AN ENTOMOLOGY RESEARCH LABORATORY

(Permanent, indefinite, special fund)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Construction (costs—obligations) (object class 32) (allocation to General Services Administration)-----		400	-----
Financing:			
Unobligated balance brought forward (-)-----	-400	-400	-----
Unobligated balance carried forward-----	400		-----
New obligatory authority-----			-----

The 1961 appropriation for Salaries and expenses, research, Agricultural Research Service, authorized the sale of the Department's Entomology Research Laboratory at Orlando, Fla., and application of the proceeds of sale to the construction of a new laboratory. An additional \$500 thousand was provided by the Supplemental Appropriation Act, 1961, under the appropriation, Construction of facilities, for the remainder of the total estimated cost of \$900 thousand for the new facilities. The Orlando property was sold in 1961 for \$400 thousand, which will be applied toward the construction of the new laboratory. The laboratory is under construction and is expected to be available for occupancy by June 1963.

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
Office of Emergency Planning, "Emergency preparedness functions of Federal agencies."

Funds Appropriated to the President:

"Agency for International Development."

"Public works acceleration."

"Translation of publications and scientific cooperation."

United States educational exchange program, "United States dollars advanced from foreign governments."

Intragovernmental funds:

WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded: Maintenance and operation of central facilities and services:			
Cost of materials sold or applied-----	1,079	1,158	1,086
Other expense-----	2,908	3,007	2,936
Total operating costs, funded-----	3,987	4,165	4,022
Capital outlay: Purchase of equipment-----	51	45	45
Total program costs, funded-----	4,038	4,210	4,067
Change in selected resources ¹ -----	-33	-----	-----
Total obligations-----	4,005	4,210	4,067

AGRICULTURAL RESEARCH SERVICE—Continued**Intragovernmental funds—Continued****WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER—Continued****Program and Financing (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
Financing:			
Revenues and other receipts:			
Proceeds from sale of equipment.....	2		
Sale of goods and services.....	4,029	4,196	4,053
Other revenue.....	14	14	14
Total revenues and other receipts.....	4,044	4,210	4,067
Unobligated balance brought forward.....	69	843	843
Adjustment of prior year unfilled customers' orders, unrecorded.....	735		
Unobligated balance carried forward (—).....	—843	—843	—843
Financing applied to program.....	4,005	4,210	4,067

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	4,005	4,210	4,067
Decrease in gross unpaid obligations.....	60		
Gross expenditures.....	4,065	4,210	4,067
Revenues and other receipts (from program and financing).....	4,044	4,210	4,067
Decrease in accounts receivable, net.....	138		
Applicable receipts.....	4,182	4,210	4,067
Budget expenditures.....	—117		

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of \$300 thousand appropriated in 1951 and donated assets of \$279 thousand as of June 30, 1962. Earnings are retained to furnish adequate working capital.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Revenue.....	4,043	4,210	4,067
Expense.....	4,032	4,210	4,067
Net operating income.....	11		
Nonoperating income:			
Proceeds from sale of equipment.....	2		
Net book value of assets sold (—).....	—2		
Net nonoperating income.....			
Net income for the year.....	11		
Retained earnings, start of year.....	92	102	102
Retained earnings, end of year.....	102	102	102

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	389	506	506	506
Accounts receivable, net.....	540	402	402	402
Materials and supplies.....	97	98	98	98
Equipment, net.....	244	265	265	265
Total assets.....	1,269	1,271	1,271	1,271
Liabilities:				
Current.....	616	590	590	590
Government equity:				
Non-interest-bearing capital:				
Start of year.....	552	562	579	579
Donated assets.....	9	17		
End of year.....	562	579	579	579
Retained earnings.....	92	102	102	102
Total Government equity.....	653	681	681	681

Analysis of Government Equity (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Unpaid undelivered orders ¹	244	210	210	210
Unobligated balance.....	69	843	843	843
Unfilled customers' orders.....		—735	—735	—735
Invested capital and earnings.....	340	363	363	363
Total Government equity.....	653	681	681	681

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,755	1,798	1,798
Positions other than permanent.....	408	492	407
Other personnel compensation.....	51	51	66
Total personnel compensation.....	2,214	2,341	2,271
12 Personnel benefits.....	153	158	157
21 Travel and transportation of persons.....	2	1	1
22 Transportation of things.....	3	3	3
23 Rent, communications, and utilities.....	408	409	409
24 Printing and reproduction.....	1	1	1
25 Other services.....	172	170	170
26 Supplies and materials.....	1,005	1,082	1,010
31 Equipment.....	45	45	45
Total obligations.....	4,005	4,210	4,067

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	339	339	339
Full-time equivalent of other positions.....	92	108	91
Average number of all employees.....	414	431	411
Number of employees at end of year.....	444	444	430
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$6,717	\$7,182	\$7,193
Average salary of ungraded positions.....	\$4,547	\$4,582	\$4,676

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Research.....	1,182	1,775	1,635
2. Plant and animal disease and pest control.....	858	819	845
3. Meat inspection.....	9,114	9,325	9,662
4. Civil defense, Army.....	5	2	-----
5. Technical assistance, Commerce.....	-----	109	-----
6. Miscellaneous services to other accounts.....	112	91	93
Total program costs, funded ¹	11,272	12,120	12,235
Change in selected resources.....	279	-96	-----
Total obligations.....	11,551	12,025	12,235
Financing:			
Advances and reimbursements from—			
Other accounts.....	4,510	4,770	4,742
Non-Federal sources ²	7,041	7,255	7,493
Total financing.....	11,551	12,025	12,235

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$110 thousand; (1962 adjustments, —\$17 thousand); 1962, \$372 thousand; 1963, \$276 thousand; 1964, \$276 thousand.

² Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); from payments by non-Federal agencies for overtime work and travel performed at meatpacking establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U.S.C. 576; 7 U.S.C. 394, 396); from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U.S.C. 590a); and from refunds of terminal leave payments (5 U.S.C. 61(b)).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	3,870	4,202	4,282
Positions other than permanent.....	152	138	119
Other personnel compensation.....	5,922	6,076	6,327
Total personnel compensation.....	9,943	10,416	10,728
12 Personnel benefits.....	305	328	335
21 Travel and transportation of persons.....	273	300	283
22 Transportation of things.....	36	45	43
23 Rent, communications, and utilities.....	76	81	79
24 Printing and reproduction.....	30	35	35
25 Other services.....	228	81	73
Services of other agencies.....	107	140	142
26 Supplies and materials.....	261	307	282
31 Equipment.....	259	279	235
32 Lands and structures.....	32	13	-----
Total obligations.....	11,551	12,025	12,235

Personnel Summary

Total number of permanent positions.....	70	101	99
Full-time equivalent of other positions.....	32	31	24
Average number of all employees.....	612	636	616
Number of employees at end of year.....	75	106	104
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$6,717	\$7,182	\$7,193
Average salary of ungraded positions.....	\$4,547	\$4,582	\$4,676

COOPERATIVE STATE EXPERIMENT STATION SERVICE

General and special funds:

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, and for other expenses, including \$37,113,000 \$38,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act

approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$500,000 for payments authorized under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623); \$1,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (76 Stat. 806-807); \$250,000 \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$344,000 \$460,000 for necessary expenses of the Cooperative State Experiment Station Service, including administration of payments to State agricultural experiment stations, of which not more than \$25,000 shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$38,207,000 \$40,383,000. (89 U.S.C. 321q; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Payments to agricultural experiment stations:			
a. For agricultural research under the Hatch Act.....	34,224	36,223	37,193
b. For marketing research under the Agricultural Marketing Act.....	500	500	500
2. Grants for forestry research.....	-----	-----	1,000
3. Federal administration.....	1,177	1,292	1,380
4. Penalty mail.....	250	250	310
Total program costs, funded—obligations ¹	36,151	38,265	40,383
Financing:			
Comparative transfers from other accounts (—).....	-36,151	-----	-----
New obligational authority.....	-----	38,265	40,383
New obligational authority:			
Appropriation.....	-----	38,207	40,383
Proposed transfer from "Reimbursement to Commodity Credit Corporation for costs of special milk program" due to pay increases.....	-----	59	-----

¹ Includes capital outlay as follows: 1962, \$17 thousand; 1963, \$10 thousand; 1964, \$9 thousand.

Grants are allocated to agricultural experiment stations of the land-grant colleges in the States and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The States are contributing \$3.74 for \$1 paid by the Federal Government.

An increase of \$1 million is proposed in Payments to States and Puerto Rico to strengthen the cooperative program at the agricultural experiment stations. In addition \$1 million is requested for grants to encourage and assist the several States in carrying on a program of forestry research as authorized by Public Law 87-788 which is essential to meet the needs of accelerated forest development programs. Federal grants for forestry research will be matched from non-Federal sources.

The planned distribution of the payments to State agricultural experiment stations and grants for forestry research to land-grant colleges or agricultural experiment stations and other State-supported colleges and universities for 1964 is (in thousands of dollars):

Distributed according to statutory formula.....	29,529
Regional research fund.....	7,664
Payments authorized for marketing projects.....	500
Grants for cooperative forestry research.....	1,000
Total.....	38,693

COOPERATIVE STATE EXPERIMENT STATION SERVICE—Continued

General and special funds—Continued

PAYMENTS AND EXPENSES—Continued

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	829	937	1,036
Positions other than permanent.....	21	22	20
Other personnel compensation.....	1		7
Total personnel compensation.....	851	959	1,063
12 Personnel benefits.....	62	64	72
21 Travel and transportation of persons.....	116	125	110
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	262	270	328
24 Printing and reproduction.....	23	23	23
25 Other services.....	5	5	4
Services of other agencies.....	71	75	70
26 Supplies and materials.....	19	9	9
31 Equipment.....	17	10	9
41 Grants, subsidies, and contributions.....	34,724	36,723	38,693
Total obligations.....	36,151	38,265	40,383

Personnel Summary

Total number of permanent positions.....	108	116	117
Full-time equivalent of other positions.....	2	2	3
Average number of all employees.....	104	113	113
Number of employees at end of year.....	103	115	117
Average GS grade.....	8.7	8.9	8.9
Average GS salary.....	\$8,102	\$8,850	\$9,019

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in Funds Appropriated to the President, "Public works acceleration."

EXTENSION SERVICE

General and special funds:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), [and] the Act of August 11, 1955 (7 U.S.C. 347a) [\$62,020,000] and the Act of October 5, 1962 (76 Stat. 745), \$63,020,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, [\$63,590,000] \$64,590,000: Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, [\$6,765,000] \$7,110,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, [\$2,490,000] \$3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), [and] the Act of August 11, 1955 (7 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat. 745), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$2,499,500] \$2,515,000. (5 U.S.C. 785; 39 U.S.C. 321i, 321n, 321p-q; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

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Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act.....	57,649	61,611	62,820
(b) Payments and contracts under the Agricultural Marketing Act.....	1,603	1,653	1,605
2. Retirement and employees' compensation costs for extension agents.....	6,194	6,765	7,110
3. Penalty mail.....	2,490	2,801	3,113
4. Federal Extension Service.....	2,437	2,595	2,772
Total program costs, funded ¹	70,374	75,425	77,420
Change in selected resources ²	46	-83	-35
Total obligations.....	70,421	75,342	77,385
Financing:			
Reimbursements for emergency preparedness functions (—).....			-57
Unobligated balance lapsing.....	384		
New obligational authority.....	70,804	75,342	77,328
New obligational authority:			
Appropriation.....	70,804	75,344	77,328
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		-2	
Appropriation (adjusted).....	70,804	75,342	77,328

¹ Includes capital outlay as follows: 1962, \$33 thousand; 1963, \$17 thousand; 1964, \$11 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 ad- justments	1962	1963	1964
Unpaid undelivered orders.....	225	-3	210	124	98
Advances.....	87	-98	47	50	41
Total selected resources.....	312	-101	257	174	139

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, and related subjects. This educational work takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges and experiment stations, and incorporates them into a national educational program for action. Its objective is to provide farm people and others with information and assistance upon which they may make social and economic adjustments necessary for an efficient agricultural industry and improved rural homes and rural life.

1. *Payments to States and Puerto Rico.*—Funds are used primarily for the employment of State and county extension workers who work with rural families, marketing concerns, and others by providing advice and assistance in the application of improved methods involved in production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is accomplished largely through 4-H Clubs.

The proposed increase in payments for cooperative agricultural extension work would be paid to the States to provide more effectively for extension work in connection with the rural areas development program and for educational programs in furtherance of the Food and Agriculture Act of 1962.

2. *Retirement and employees' compensation costs for extension agents.*—The increase proposed is required to meet these costs for cooperative extension agents. The manda-

tory retirement contribution is authorized under 70 Stat. 747-748. The employer's contribution to the Federal retirement fund, to match contributions of these agents, is provided by this Federal appropriation. The proposed increase in payments to States and Puerto Rico will result in an increase in the required employer's Federal contribution to the retirement fund. The increase proposed will provide for the increased costs. The increase also provides an amount equal to the benefits received by the cooperative agents to be paid to the Employees' Compensation Fund, as required by 5 U.S.C. 785.

3. *Penalty mail.*—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation. The increase provides for increased postal costs pursuant to Public Law 87-793.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, in-service training for extension personnel, and administrative services. The Federal Extension Service also coordinates the educational activities of other U.S. Department of Agriculture agencies. The proposed increase would provide for special emphasis on educational support to the States on poultry marketing and dairy utilization and for increased pay and postal costs pursuant to Public Law 87-793.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,748	1,916	2,043
Positions other than permanent.....	21	16	9
Other personnel compensation.....	11	4	18
Total personnel compensation.....	1,780	1,936	2,070
12 Personnel benefits.....	6,327	6,911	7,267
21 Travel and transportation of persons.....	225	248	257
22 Transportation of things.....	33	40	46
23 Rent, communications, and utilities.....	2,532	2,847	3,164
24 Printing and reproduction.....	95	101	105
25 Other services.....	132	87	87
Services of other agencies.....	51	37	41
26 Supplies and materials.....	27	18	19
31 Equipment.....	39	11	14
41 Grants, subsidies, and contributions.....	59,144	63,106	64,315
42 Insurance claims and indemnities.....	35		
Total obligations.....	70,421	75,342	77,385

Personnel Summary

Total number of permanent positions.....	239	242	246
Full-time equivalent of other positions.....	4	3	2
Average number of all employees.....	221	231	231
Number of employees at end of year.....	229	238	243
Average GS grade.....	8.9	9.2	9.2
Average GS salary.....	\$8,108	\$8,833	\$8,916

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
Funds Appropriated to the President, "Agency for International Development."
Office of Emergency Planning, "Salaries and expenses."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians.....	37	44	45
2. Assistance to agricultural stabilization and conservation committees and the Commodity Credit Corporation loan program in Alaska.....	22	6	6
3. To carry out Extension Service responsibilities and authorities delegated under Area Redevelopment Act (Department of Commerce).....	60	134	137
4. Cooperation with Department of Defense on extension program work in Rural Defense Information and Education program.....	13	802	
5. Miscellaneous services to other accounts.....	14	11	12
Total program costs, funded ¹	146	997	200
Change in selected resources ²	3		
Total obligations.....	149	997	200
Financing:			
Advances and reimbursements from—			
Other accounts.....	137	986	188
Non-Federal sources ³	12	11	12
Total financing.....	149	997	200

¹ Includes capital outlay as follows: 1963, \$7 thousand; 1964, \$3 thousand.
² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$3 thousand; 1963, \$3 thousand; 1964, \$3 thousand.
³ Reimbursements are from cooperating State extension services for teaching materials developed and provided on a cost-sharing basis (5 U.S.C. 563, 564).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	56	150	108
Other personnel compensation.....			1
Total personnel compensation.....	56	150	109
12 Personnel benefits.....	4	11	8
21 Travel and transportation of persons.....	11	33	16
22 Transportation of things.....		6	2
23 Rent, communications, and utilities.....	1	10	1
24 Printing and reproduction.....	16	133	16
25 Other services.....	30	27	25
Services of other agencies.....	10	16	14
26 Supplies and materials.....		2	1
31 Equipment.....		8	2
41 Grants, subsidies, and contributions.....	22	601	6
Total obligations.....	149	997	200

Personnel Summary

Total number of permanent positions.....	5	21	12
Average number of all employees.....	6	16	10
Number of employees at end of year.....	6	21	12
Average GS grade.....	8.9	9.2	9.2
Average GS salary.....	\$8,108	\$8,833	\$8,916

FARMER COOPERATIVE SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), **[\$682,000]** and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), **\$1,280,000.** (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Includes \$452 thousand for activities previously carried under the following appropriations:

"Marketing research and service," Agricultural Marketing Service, \$123 thousand.

"Salaries and expenses," Economic Research Service, \$329 thousand. The amounts obligated in 1962 and 1963 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Research and technical assistance for farmers cooperatives (program costs, funded) ¹ -----	1,072	1,158	1,280
Change in selected resources ² -----	15		
Total obligations-----	1,087	1,158	1,280
Financing:			
Comparative transfers from other accounts (—)-----	—436	—452	
Unobligated balance lapsing-----	6		
New obligational authority-----	657	706	1,280
New obligational authority:			
Appropriation-----	657	682	1,280
Proposed transfer from "Reimbursement to Commodity Credit Corporation for special milk program," due to pay increases-----		24	

¹ Includes capital outlay as follows: 1962, \$3 thousand; 1963, \$4 thousand; 1964, \$7 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$58 thousand (1962 adjustments, —\$2 thousand); 1962, \$71 thousand; 1963, \$71 thousand; 1964, \$71 thousand.

The Farmer Cooperative Service provides research, advisory, and educational assistance to farmers' marketing, purchasing, and service cooperatives. Attention is directed to problems of organization, financing, policies, management, membership, marketing, purchasing, transportation, warehousing, costs, and efficiency. Much of this work is carried on in cooperation with land-grant colleges, the Extension Service, and other Federal and State agencies. Research financed by advances from the Agricultural Marketing Service and the Economic Research Service in 1963 and prior years will be financed by direct appropriation to the Farmer Cooperative Service in 1964.

The proposed 1964 increase will enable the Farmer Cooperative Service to better help farmers meet their economic needs through their own business organizations.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions-----	821	880	969
Other personnel compensation-----	1		8
Total personnel compensation-----	822	880	977
12 Personnel benefits-----	63	67	74
21 Travel and transportation of persons-----	51	55	59
22 Transportation of things-----	1	1	1

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
23 Rent, communications, and utilities-----	24	25	30
24 Printing and reproduction-----	61	68	71
25 Other services-----	33	30	30
Services of other agencies-----	21	18	20
26 Supplies and materials-----	8	10	11
31 Equipment-----	3	4	7
Total obligations-----	1,087	1,158	1,280

Personnel Summary

Total number of permanent positions-----	118	113	121
Average number of all employees-----	105	108	115
Number of employees at end of year-----	101	109	117
Average GS grade-----	8.8	9.0	9.0
Average GS salary-----	\$7,616	\$8,142	\$8,228

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, Funds Appropriated to the President, "Agency for International Development."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Research and technical assistance for farmers cooperatives-----	7	8	
2. Area Redevelopment Act, Department of Commerce:			
(a) Technical assistance-----		28	
(b) Operations-----		21	31
Total program costs, funded-----	7	57	31
Change in selected resources ¹ -----	10	—10	
Total obligations-----	17	47	31
Financing:			
Advances and reimbursements from other accounts-----	17	47	31
Total financing-----	17	47	31

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1962, \$10 thousand; 1963, \$0; 1964, \$0.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions-----	5	17	16
12 Personnel benefits-----	1	1	1
21 Travel and transportation of persons-----	1	3	3
23 Rent, communications, and utilities-----		1	2
24 Printing and reproduction-----		4	6
25 Other services-----	10	18	
Services of other agencies-----		3	3
Total obligations-----	17	47	31

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....		2	2
Average number of all employees.....	1	2	2
Number of employees at end of year.....	0	1	1
Average GS grade.....	8.8	9.0	9.0
Average GS salary.....	\$7,616	\$8,142	\$8,228

SOIL CONSERVATION SERVICE

The Service is responsible for various soil and water conservation activities to aid farmers, ranchers, and other landowners in making physical adjustments in land use to conserve soil, water, and plant resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation. These activities are carried out in cooperation with Federal and State agencies and local sponsoring organizations. The Service also has responsibility for administering the Great Plains conservation program, provides technical leadership in resource conservation and development, and furnishes technical services in connection with the agricultural conservation program, and the soil and water conservation loans made by the Farmers Home Administration.

General and special funds:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, **[\$90,705,500] \$99,453,000: Provided,** That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further,* That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. (5 U.S.C. 511-512, 565a; 7 U.S.C. 1387, 1807; 16 U.S.C. 590q-1; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Assistance to soil conservation districts and other cooperators (program costs, funded) ¹	88,921	94,146	99,453

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Change in selected resources ²	-15		
Total obligations.....	88,906	94,146	99,453
Financing:			
Unobligated balance lapsing.....	740		
New obligational authority.....	89,646	94,146	99,453
New obligational authority:			
Appropriation.....	89,725	90,705	99,453
Transferred to (—)			
"Operating expenses, Public Buildings Service," General Services Administration (76 Stat. 728).....	-79	-55	
"Salaries and expenses, general administration" (76 Stat. 1212).....		-4	
Appropriation (adjusted).....	89,646	90,646	99,453
Proposed supplemental due to pay increases.....		3,500	

¹ Includes capital outlay as follows: June 30, 1962, \$2,719 thousand; 1963, \$2,800 thousand; 1964, \$2,800 thousand.

² Selected resources as of June 30 are as follows:

	1961 actual	1962 adjust- ments	1962 actual	1963 estimate	1964 estimate
Stores.....	129		131	131	131
Unpaid undelivered orders.....	1,187	-6	1,164	1,164	1,164
Total selected resources.....	1,316	-6	1,295	1,295	1,295

Assistance furnished to soil conservation districts and other cooperators consists primarily of: (a) standard soil surveys and special soil investigations to provide physical land facts needed for farm and ranch conservation planning and the application of planned practices, and for use by other Federal, State, and local agencies and the public;

MAIN WORKLOAD FACTORS

(In millions of acres)

	1961 actual	1962 actual	Total as of June 30, 1962	1963 estimate	1964 estimate
Standard soil surveys:					
New mapping.....	43.5	40.3		42.0	43.0
Conversion from conservation surveys.....	7.0	14.8		15.0	15.0
Totals.....	50.5	55.1	400.8	57.0	58.0
Conservation surveys.....	5.2	5.0	339.5	5.0	5.0
Total soil surveys.....	55.7	60.1	740.3	62.0	63.0

(b) technical assistance to farmers and ranchers in planning of individual conservation programs for orderly land use adjustments and combinations of conservation treatments; (c) technical assistance and management consultation with installation of those practices and combinations of practices provided for in their farm and ranch conservation plans;

MAIN WORKLOAD FACTORS

	1961 actual	1962 actual	1963 estimate	1964 estimate
Total number				
Soil Conservation Districts.....	2,900	2,929	2,952	2,982
District cooperators (cumulative).....	1,887,091	1,944,054	1,986,000	2,016,000
Basic conservation plans and revisions (annually):				
Number.....	131,248	126,879	135,000	150,000
Acres.....	52,121,598	49,069,641	52,730,000	55,000,000
Basic plans (cumulative).....	1,358,290	1,408,662	1,458,000	1,513,000
Landowners and operators assisted.....	1,037,803	1,016,103	1,060,000	1,075,000

SOIL CONSERVATION SERVICE—Continued**General and special funds—Continued****CONSERVATION OPERATIONS—Continued**

(d) technical assistance to group enterprises with water control problems that can best be solved through group action; (e) the granting of special equipment acquired from Federal Government surplus to soil conservation districts for use in the application of planned conservation practices; (f) water supply forecasts developed from snow surveys in Western States which serve as a basis for planning for efficient seasonal use of water; (g) the selection and testing of plant materials to determine their suitability for erosion control purposes; (h) technical assistance to Agricultural Conservation Program participants in establishing specified conservation practices; (i) technical assistance to participants in other programs involving specified conservation practices and land use adjustments; (j) technical assistance in planning and applying the soil and water conservation practices for which loans are made by the Farmers Home Administration; and (k) consultation and assistance to local rural areas development committees, program planning and consultation in urban fringe areas.

Combinations of needed soil and water conservation practices are planned together and in relation to each other so as to have a well balanced program in each district and for each farm. Both vegetative and structural practices are used in accordance with the conservation needs of the land and decisions of the cooperating farmer or rancher. The Soil Conservation Service technician explains the soil conditions, develops land use and treatment alternatives with each cooperator, helps him evaluate the costs and returns of conservation farming, and furnishes assistance in applying the needed treatments. These conservation programs provide immediate and long-term benefits to the land where installed and to the general welfare. Modern soil and water conservation practices are essential to our continued efficient use of our fixed land base for agricultural purposes as the future needs of the nation may require. There is an urgent need to speed up the rate of applying land treatment work as estimated above to prevent further soil deterioration and to protect our remaining good land while using and improving it.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	67,072	71,795	75,960
Positions other than permanent.....	2,561	2,392	2,790
Other personnel compensation.....	257	226	244
Total personnel compensation.....	69,890	74,413	78,994
12 Personnel benefits.....	5,463	5,896	6,280
21 Travel and transportation of persons.....	2,607	2,713	2,775
22 Transportation of things.....	573	572	585
23 Rent, communications, and utilities.....	2,908	3,074	3,189
24 Printing and reproduction.....	430	520	532
25 Other services.....	1,219	1,421	1,452
Services of other agencies.....	293	269	274
26 Supplies and materials.....	3,278	3,132	3,264
31 Equipment.....	2,227	2,072	2,115
32 Lands and structures.....	8	65	-----
42 Insurance claims and indemnities.....	16	2	-----
44 Refunds.....	-----	4	-----
Subtotal.....	88,912	94,153	99,460

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Deduct quarters and subsistence charges.....	6	7	7
Total obligations.....	88,906	94,146	99,453

Personnel Summary

Total number of permanent positions.....	12,281	12,305	12,500
Full-time equivalent of other positions.....	685	617	702
Average number of all employees.....	11,070	11,095	11,340
Number of employees at end of year.....	13,502	13,426	13,700
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,307	\$6,731	\$6,729

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, **[\$60,585,000] \$63,992,000**, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$3,000,000 together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes. (5 U.S.C. 511-512; 76 Stat. 608-610; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Small watershed project investigations and planning.....	5,462	5,709	5,892
2. Watershed works of improvement.....	32,097	44,431	44,546
3. Loans and related expense.....	2,326	4,387	2,800
4. River basin program development and coordination.....	963	2,043	3,554
Total program costs, funded ¹	40,849	56,570	56,792
Change in selected resources ²	10,504	9,759	7,200
Total obligations.....	51,353	66,329	63,992
Financing:			
Unobligated balance brought forward (—).....	—2,512	—4,911	-----
Unobligated balance carried forward.....	4,911	-----	-----
New obligational authority.....	53,752	61,418	63,992
New obligational authority:			
Appropriation.....	53,787	60,585	63,992
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353)(—).....	—35	-----	-----
Appropriation (adjusted).....	53,752	60,585	63,992
Proposed supplemental due to pay increases.....	-----	833	-----

¹ Includes capital outlay as follows: 1962, \$799 thousand; 1963, \$850 thousand; 1964, \$900 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962	1963	1964
Unpaid undelivered orders.....	24,713	35,227	44,986	52,186
Advances.....	24	14	14	14
Total selected resources.....	24,737	35,241	45,000	52,200

The Department cooperates with the States and other agencies in planning and installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water. It provides loans to local organizations to help them finance their share of the costs of certain works of improvement. The Department also cooperates with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

MAIN WORKLOAD FACTORS

Activity	1962 actual	1963 estimate	1964 estimate
Applications:			
Received, current fiscal year.....	197	220	230
Received, cumulative at June 30.....	1,702	1,922	2,152
Not suitable for planning at June 30....	250	260	260
Planning:			
Authorized, current fiscal year.....	110	125	125
Authorized, cumulative at June 30.....	769	894	1,019
Suspended or terminated at June 30....	127	130	135
Completed, current fiscal year.....	78	110	110
Completed, cumulative at June 30.....	452	562	672
In process at June 30.....	190	202	212
Remaining to be planned at June 30....	683	768	873
Not yet approved for operations.....	67	57	47
Operations:			
Approved, current fiscal year.....	73	120	120
Approved, cumulative at June 30.....	385	505	625
Completed, current fiscal year.....	21	29	32
Completed, cumulative at June 30.....	44	73	105
In process at June 30.....	341	432	520

1. *Small watershed project investigations and planning.*—Surveys are made by the Department of proposed small watershed projects, and work plans are prepared in co-

operation with the local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost-sharing and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development.

2. *Watershed works of improvement.*—The Department provides technical and financial assistance to local organizations to install the watershed works of improvement for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife development features specified in the work plans.

(a) *Pilot demonstration watersheds.*—Sixty-two pilot watersheds were started in 1954 in cooperation with local sponsors under authority of the Act of April 27, 1935 (16 U.S.C. 590a-590f) to demonstrate and evaluate the effectiveness of works of improvement installed in small watersheds for watershed protection and flood prevention. As of June 30, 1962, work had been discontinued in eight projects and completed as planned in 44 except for project evaluation studies which will be underway until 1970 in some of these. The following table shows the current status of the pilot watershed projects. Obligations for project evaluation studies are not reflected in the table subsequent to 1959 as these costs were determined not properly chargeable to projects. Obligations for such studies amounted to \$144 thousand in 1962 and are estimated at \$128 thousand in 1963 and \$127 thousand in 1964.

[Dollars in thousands]

Explanation	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Amount	Num-ber	Amount	Num-ber	Amount
Uncompleted projects at beginning of year and estimated completion cost.....	16	\$5,917	10	\$3,541	6	\$1,748
Status of projects and amounts obligated:						
1. Projects completed during the year.....	6	225	4	348	2	295
2. Continuing prior year projects.....	10	2,151	6	1,445	4	601
Total.....	16	2,376	10	1,793	6	896
3. Uncompleted projects at end of year:						
(a) Obligations to date ¹	10	15,172	6	13,867	4	9,218
(b) Estimated completion cost.....	10	3,541	6	1,748	4	852
4. Projects completed (cumulative) and total cost ¹	44	23,939	48	27,037	50	32,582
5. Projects discontinued (cumulative) and total cost.....	8	330	8	330	8	330

¹ Includes obligations for project evaluation studies prior to the fiscal year 1960 on all projects on which these studies were carried out.

(b) *Public Law 566 watersheds.*—After local sponsoring organizations have developed watershed work plans with the Department's assistance and the projects have been approved as suitable for Federal participation (projects involving an estimated Federal contribution in excess of \$250 thousand, or any single structure having a capacity in excess of 2,500 acre-feet require Congressional approval), technical services and cost-sharing assistance are provided for specified works of improvement. On non-Federal lands local sponsoring organizations must contract for construction work, operate and maintain the projects, and in the case of multiple-purpose structures, bear a share of construction costs. In addition, local organizations must acquire water rights and furnish land, easements, and rights-of-way for all structural measures except that the Federal Government may pay up to one-half the cost of land, easements, and rights-of-way allocated to public fish and wildlife and recreational develop-

ments. Federal agencies do this work on Federal lands which they administer with appropriate contributions being made by the local people who receive benefits.

Advance engineering and technical assistance is furnished to all approved projects before they are advanced to the construction stage. During the advance engineering and technical assistance stage, surveys and investigations are made and detailed designs, specifications, and engineering cost estimates are prepared for construction of structural works; areas are delineated where easements are required and technical assistance is furnished for accelerating planning and application of land treatment measures.

The project construction stage begins with execution of the first project agreement for construction of works of improvement, after required easements are obtained or assured and the local organization has met all other requirements. Under a project agreement the local spon-

SOIL CONSERVATION SERVICE—Continued**General and special funds—Continued****WATERSHED PROTECTION—Continued**

soring organization agrees to construct a segment of the project which may consist of an individual or an inter-related group of structures. The agreement obligates the Department to furnish its share of the construction cost. Payments are made to the local contracting organization in accordance with the project agreement as the work

progresses. Engineering and other services are provided for the preparation of contracts and inspection of construction. Technical assistance in planning and installing land treatment measures is continued.

The following tabulation shows the status of Public Law 566 projects and amounts obligated or estimated to be obligated. The table does not reflect minor obligations for project evaluation studies (\$51 thousand cumulatively as of June 30, 1962) or for balances remaining in the undistributed equipment account (\$337 thousand cumulatively as of June 30, 1962).

[Dollars in thousands]

Explanation	1962 actual		1963 estimate		1964 estimate	
	Number	Amount	Number	Amount	Number	Amount
1. Projects approved for operations and estimated completion cost:						
(a) Uncompleted projects at beginning of year.....	289	\$188,775	341	\$221,323	432	\$288,087
(b) Projects approved during year.....	73	71,930	120	120,000	120	120,000
Total.....	362	260,705	461	341,323	552	408,087
2. Status of projects and amounts obligated:						
(a) Projects for which no funds are available.....	---	---	---	---	129	---
(b) Projects not requiring funds.....	16	---	10	---	10	---
(c) Projects receiving advance engineering and technical assistance only.....	101	2,442	167	4,095	122	3,407
(d) Projects moved into construction stage.....	65	14,494	60	15,289	36	10,164
(e) Prior year projects continuing under construction.....	159	22,177	195	33,235	223	36,302
(f) Projects completed.....	21	116	29	617	32	650
Total.....	362	39,229	461	53,236	552	50,523
3. Uncompleted projects at end of year:						
(a) Obligations to date.....	341	106,103	432	147,973	520	184,096
(b) Estimated completion cost.....	341	221,323	432	288,087	520	357,564
4. Projects completed (cumulative) and total cost.....	44	10,226	73	21,592	105	35,992

The 1963 program contemplates initiation of construction in about 60 watershed projects, involving 1963 estimated obligations of \$15.3 million and total Federal cost of \$52.5 million. The 1964 estimate provides for starting about 36 projects, with 1964 obligations of \$10.2 million and total Federal cost of \$36 million.

3. *Loans and related expense.*—Loans are made to local organizations to finance the local share of the cost of installing planned works of improvement in approved watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Of the 1964 estimate for watershed protection, not to exceed \$3 million is to be available for such purpose together with unobligated balance of loan funds carried over from prior years.

4. *River basin program development and coordination.*—Section 6 of Public Law 566, 83d Congress, as amended, authorizes the Department to cooperate with other Federal, State, and local agencies in making surveys and investigations of the watersheds of rivers and other waterways as a basis for the development of coordinated water and related land resources programs. The Department is currently participating in cooperative surveys and investigations of 25 river basins with the Corps of Engineers and other interested Federal and State agencies. The Department is represented on the Inter-Agency Committee on Water Resources which was established to coordinate water and related land resource activities of Federal departments and agencies. The Department also maintains representation on various river basin interagency committees, which serve as points of contact and coordination between representatives of this Department and of other Federal departments and agencies and the States in these basin areas, to keep all concerned mutually informed of the activities of the

member agencies and to facilitate matters of interagency coordination. The Department, in 1962, maintained such representation on committees in the Arkansas-White-Red, Columbia, Missouri, northeast, and southwest areas.

This Department and the Departments of the Army, the Interior, and Health, Education, and Welfare have jointly considered river basin surveys and investigations currently needed to attain the goal proposed by the Senate Select Committee on National Water Resources and recommended by the President for surveying the river basins of the Nation. Based on this joint consideration, the Department, beginning in 1964, will participate cooperatively with these other departments in surveys of the Puget Sound area in Washington; the Colorado River Basin; the Missouri River Basin; the White and St. Francis River Basins in Missouri and Arkansas; various river basins in east Texas; the Grand and Fox River Basins in Michigan, Wisconsin, and Illinois; the upper Mississippi-Great Lakes and Big Muddy River Basins; the Connecticut, St. John, and other northeast river basins; and the Pascagoula River Basin in Mississippi.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	13,227	16,379	16,813
Positions other than permanent.....	1,150	1,527	1,490
Other personnel compensation.....	269	347	337
Total personnel compensation.....	14,646	18,253	18,640
12 Personnel benefits.....	1,091	1,387	1,424
21 Travel and transportation of persons.....	1,033	1,234	1,280
22 Transportation of things.....	155	217	232

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE—Con.			
23 Rent, communications, and utilities.....	412	486	503
24 Printing and reproduction.....	327	480	523
25 Other services.....	2,209	2,056	1,442
Services of other agencies.....	231	259	250
26 Supplies and materials.....	540	634	612
31 Equipment.....	758	837	843
41 Grants, subsidies, and contributions.....	25,441	35,014	32,915
Total, Soil Conservation Service.....	46,843	60,857	58,664
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	693	954	1,160
Positions other than permanent.....	53	62	77
Other personnel compensation.....	2	1	10
Total personnel compensation.....	748	1,017	1,247
12 Personnel benefits.....	60	77	94
21 Travel and transportation of persons.....	102	124	133
22 Transportation of things.....	11	13	14
23 Rent, communications, and utilities.....	13	22	27
24 Printing and reproduction.....	6	13	16
25 Other services.....	147	151	150
Services of other agencies.....	9	25	28
26 Supplies and materials.....	25	33	40
31 Equipment.....	15	14	17
33 Investments and loans.....	3,126	3,221	2,800
41 Grants, subsidies, and contributions.....	249	762	762
Subtotal.....	4,511	5,472	5,328
Deduct quarters and subsistence charges.....	—1	—	—
Total, allotment accounts.....	4,510	5,472	5,328
Total obligations.....	51,353	66,329	63,992
Obligations are distributed as follows:			
Agriculture:			
Soil Conservation Service.....	46,843	60,857	58,664
Economic Research Service.....	297	432	573
Farmers Home Administration.....	3,223	3,421	3,000
Forest Service.....	858	1,484	1,628
Interior.....	132	135	127

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	2,121	2,404	2,490
Full-time equivalent of other positions.....	305	338	363
Average number of all employees.....	2,308	2,775	2,711
Number of employees at end of year.....	2,574	3,080	3,010
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,307	\$6,731	\$6,729
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	106	139	156
Full-time equivalent of other positions.....	12	12	15
Average number of all employees.....	106	144	167
Number of employees at end of year.....	139	170	198
Average GS grade.....	7.4	7.4	7.5
Average GS salary.....	\$6,434	\$6,802	\$6,863

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706(a) of the

Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; [\$25,000,000] \$25,576,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated: *Provided further*, That not to exceed \$1,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes. (5 U.S.C. 511-512; 76 Stat. 610; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Installation of works of improvement.....	19,099	26,706	24,356
2. Loans and related expense.....	440	2,255	940
Total program costs, funded ¹	19,539	28,961	25,296
Change in selected resources ²	3,818	653	280
Total obligations.....	23,357	29,614	25,576
Financing:			
Unobligated balance brought forward (—).....	—2,633	—4,271	—
Unobligated balance carried forward.....	4,271	—	—
New obligational authority.....	24,994	25,343	25,576
New obligational authority:			
Appropriation.....	25,000	25,000	25,576
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353) (—).....	—6	—	—
Appropriation (adjusted).....	24,994	25,000	25,576
Proposed supplemental due to pay increases.....	—	343	—

¹ Includes capital outlay as follows: 1962, \$963 thousand; 1963, \$1,050 thousand; 1964, \$1,150 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962	1963	1964
Unpaid undelivered orders.....	8,901	12,833	13,486	13,766
Advances.....	128	14	14	14
Total selected resources.....	9,029	12,847	13,500	13,780

1. *Installation of works of improvement.*—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention and for furthering the conservation, development, utilization, and disposal of water in the 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares in the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development features.

The Department furnishes additional technical, and in certain instances financial, assistance to landowners to accelerate planning and installation of land-treatment measures for runoff retardation, sediment control, and water management. Local sponsoring organizations must furnish all land, easements and rights-of-way, water rights, and the entire cost of works of improvement for nonagricultural water management measures, except those for recreation and fish and wildlife development, and operate and maintain all completed works of improvement.

2. *Loans and related expense.*—Loans are made to local organizations to help finance their share of the costs of planned works of improvement. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Of the 1964 esti-

SOIL CONSERVATION SERVICE—Continued**General and special funds—Continued****FLOOD PREVENTION—Continued**

mate for flood prevention, not to exceed \$1 million is to be available for such purpose, together with any unobligated balances of loan funds carried over from prior years.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	4,709	5,404	5,224
Positions other than permanent.....	619	741	677
Other personnel compensation.....	118	156	130
Total personnel compensation.....	5,446	6,301	6,031
12 Personnel benefits.....	402	467	442
21 Travel and transportation of persons.....	248	285	255
22 Transportation of things.....	40	45	40
23 Rent, communications, and utilities.....	162	167	167
24 Printing and reproduction.....	121	110	125
25 Other services.....	12,272	15,939	12,260
Services of other agencies.....	65	67	65
26 Supplies and materials.....	533	573	540
31 Equipment.....	219	170	225
41 Grants, subsidies, and contributions.....	874	687	900
42 Insurance claims and indemnities.....	1		
Total, Soil Conservation Service.....	20,383	24,811	21,050
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	837	954	1,114
Positions other than permanent.....	719	721	843
Other personnel compensation.....	23	26	34
Total personnel compensation.....	1,579	1,701	1,991
12 Personnel benefits.....	92	106	124
21 Travel and transportation of persons.....	40	39	45
22 Transportation of things.....	102	102	118
23 Rent, communications, and utilities.....	54	48	55
24 Printing and reproduction.....	5	1	1
25 Other services.....	143	263	304
Services of other agencies.....	77	33	38
26 Supplies and materials.....	432	500	577
31 Equipment.....	66	100	115
32 Lands and structures.....	89	61	71
33 Investments and loans.....	206	1,735	950
41 Grants, subsidies, and contributions.....	123	151	174
Subtotal.....	3,009	4,840	4,563
Deduct quarters and subsistence charges.....	35	37	37
Total, allotment accounts.....	2,974	4,803	4,526
Total obligations.....	23,357	29,614	25,576
Obligations are distributed as follows:			
Soil Conservation Service.....	20,383	24,811	21,050
Economic Research Service.....	27	31	33
Farmers Home Administration.....	206	1,795	1,000
Forest Service.....	2,741	2,977	3,493

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	833	863	805
Full-time equivalent of other positions.....	177	188	167
Average number of all employees.....	957	1,034	960
Number of employees at end of year.....	1,084	1,181	1,100
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,307	\$6,731	\$6,729

Personnel Summary—Continued

	1962 actual	1963 estimate	1964 estimate
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	148	162	182
Full-time equivalent of other positions.....	206	208	240
Average number of all employees.....	342	358	409
Number of employees at end of year.....	217	215	244
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,105	\$6,495	\$6,489

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), **[\$12,250,000]** \$14,640,000, to remain available until expended. (5 U.S.C. 511-512; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Great Plains conservation program (program costs, funded) ¹	8,873	10,697	11,940
Change in selected resources ²	1,473	1,739	2,700
Total obligations.....	10,346	12,436	14,640
Financing:			
Unobligated balance brought forward (—)....	—257	—77	-----
Unobligated balance carried forward.....	77	-----	-----
New obligational authority.....	10,166	12,359	14,640
New obligational authority:			
Appropriation.....	10,168	12,250	14,640
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353) (—).....	—2	-----	-----
Appropriation (adjusted).....	10,166	12,250	14,640
Proposed supplemental due to pay increases.....	-----	109	-----

¹ Includes capital outlay as follows: 1962, \$56 thousand; 1963, \$60 thousand; 1964, \$65 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$15,788 thousand; 1962, \$17,261 thousand; 1963, \$19,000 thousand; 1964, \$21,700 thousand.

Cost-sharing contracts and technical assistance are offered by the Department to aid farmers and ranchers to develop and carry out long-range conservation plans designed to minimize climatic hazards and protect their lands from erosion and deterioration by natural causes. This is a voluntary program which supplements other conservation programs and activities in designated counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operations for the farm and ranch and a time schedule for installing eligible conservation practices. December 31, 1971, is the final date for entering into contracts with cooperators. The maximum cost-share rate offered in any contract does not exceed 80% of the average cost of installing each eligible practice. Federal cost-sharing for constructing, enlarging, deepening or lining any individual dam, pit, or pond for irrigation water is limited to \$2,500. Furthermore, cost-sharing for conservation irrigation practices in any one contract must not exceed (1) \$2,500, or (2) ap-

proximately one-fourth of the total Federal obligation, whichever is the larger. Producers are also limited to a Federal cost-sharing ceiling of \$25 thousand for any one contract. The total cost-share that may be paid to producers is limited to \$25 million for any one program year and \$150 million for the total program.

The producer who signs a Great Plains program contract is responsible for accomplishing his plan of operations as scheduled, and is encouraged to use all available sources of assistance under other local, State, or Federal programs that contribute to achieving conservation land treatment and economic stability of the farm or ranch unit.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	2,010	2,273	2,667
Positions other than permanent.....	133	198	242
Other personnel compensation.....	4	4	4
Total personnel compensation.....	2,147	2,475	2,913
12 Personnel benefits.....	166	192	224
21 Travel and transportation of persons.....	48	59	69
22 Transportation of things.....	10	12	14
23 Rent, communications, and utilities.....	64	65	76
24 Printing and reproduction.....	31	30	35
25 Other services.....	26	29	34
Services of other agencies.....	4	8	9
26 Supplies and materials.....	89	94	109
31 Equipment.....	33	48	56
41 Grants, subsidies, and contributions.....	7,638	9,327	11,000
Total, Soil Conservation Service.....	10,256	12,339	14,539
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	20	22	22
Positions other than permanent.....	1	1	1
Total personnel compensation.....	21	23	23
12 Personnel benefits.....	2	2	2
21 Travel and transportation of persons.....	1	2	2
25 Other services.....	1		
Services of other agencies.....	4	4	4
Advanced to—			
Expenses, Agricultural Stabilization and Conservation Service.....			69
Local administration, section 388, Agricultural Adjustment Act of 1938 (7 U.S.C. 1388).....	43	48	
Administrative expenses, section 392, Agricultural Adjustment Act of 1938 (7 U.S.C. 1392).....	17	17	
26 Supplies and materials.....		1	1
31 Equipment.....	1		
Total, allotment accounts.....	90	97	101
Total obligations.....	10,346	12,436	14,640
Obligations are distributed as follows:			
Soil Conservation Service.....	10,256	12,339	14,539
Agricultural Stabilization and Conservation Service.....	60	65	69
Forest Service.....	17	18	18
Office of Information.....	13	14	14

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	96	84	91
Full-time equivalent of other positions.....	34	51	59
Average number of all employees.....	342	398	455

Personnel Summary—Continued

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE—Con.			
Number of employees at end of year.....	137	143	163
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,307	\$6,731	\$6,729
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	3	3	3
Average number of all employees.....	3	3	3
Number of employees at end of year.....	2	2	2
Average GS grade.....	7.3	7.3	7.3
Average GS salary.....	\$6,439	\$6,868	\$6,923

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$6,275,000 to remain available until expended: Provided, That not to exceed \$3,500,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: Provided further, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (5 U.S.C. 511-512.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Project investigation and planning.....			565
2. Resource development and technical assistance.....			2,210
3. Loans and related expense.....			3,500
Total program costs, funded—obligations ¹			6,275
Financing:			
New obligational authority (appropriation).....			6,275

¹ Includes estimated capital outlay as follows: 1964, \$55 thousand.

The Department cooperates with other agencies, States, and local units of government in developing and carrying out project plans for resource development on private lands. Resource conservation and development project activities will be carried out in areas where there is a static or declining level of economic activity. The Department will share in the cost of installing works of improvement and also provide loans to local sponsoring organizations and individuals to help them finance their share of the cost of certain improvements.

The work under this program will consist of planning and installing measures to conserve, develop and manage soil, water, grass, forest, and wildlife habitat, including development of recreational facilities and income-producing enterprises in approved project areas. It includes (a) investigations, surveys, and planning necessary to help develop coordinated work plans in areas approved for Resource Conservation and Development projects; (b) technical assistance needed to install the planned works of improvements within projects; (c) financial contributions and other assistance to local public agencies and to project sponsors to help install planned measures which provide substantial public benefit; and (d) loans to

SOIL CONSERVATION SERVICE—Continued**General and special funds—Continued****RESOURCE CONSERVATION AND DEVELOPMENT—Continued**

install planned works of improvement as specified and approved in work plans.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....			554
Positions other than permanent.....			42
Other personnel compensation.....			9
Total personnel compensation.....			605
12 Personnel benefits.....			50
21 Travel and transportation of persons.....			35
22 Transportation of things.....			6
23 Rent, communications, and utilities.....			10
24 Printing and reproduction.....			5
25 Other services.....			8
Services of other agencies.....			4
26 Supplies and materials.....			32
31 Equipment.....			105
41 Grants, subsidies, and contributions.....			1,750
Total, Soil Conservation Service.....			2,610
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....			272
Other personnel compensation.....			2
Total personnel compensation.....			274
12 Personnel benefits.....			21
21 Travel and transportation of persons.....			56
23 Rent, communications, and utilities.....			2
24 Printing and reproduction.....			2
25 Other services.....			4
Services of other agencies.....			2
26 Supplies and materials.....			3
31 Equipment.....			1
33 Investments and loans.....			3,300
Total, allotment accounts.....			3,665
Total obligations.....			6,275

Obligations are distributed as follows:

Soil Conservation Service.....	2,610
Economic Research Service.....	65
Farmers Home Administration.....	3,500
Forest Service.....	100

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....			100
Full-time equivalent of other positions.....			5
Average number of all employees.....			78
Number of employees at end of year.....			92
Average GS grade.....			7.5
Average GS salary.....			\$6,729
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....			44
Average number of all employees.....			42
Number of employees at end of year.....			44
Average GS grade.....			7.1
Average GS salary.....			\$6,590

WATER CONSERVATION AND UTILIZATION PROJECTS**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Development of land for irrigation (costs—obligations) (object class 11—permanent positions).....	2	2	-----
Financing:			
Unobligated balance brought forward (—)....	—129	—127	—125
Unobligated balance carried forward.....	127	125	125
New obligational authority.....	-----	-----	-----

The Service has been developing irrigation farming units for sale on the Eden Valley project in Wyoming where the Bureau of Reclamation has constructed the water storage facility and the principal canals. Land development for irrigation has been completed in accordance with the project plan prepared cooperatively with the Bureau of Reclamation. The farms developed in the project have been sold with exception of four. One of these is being operated by the State of Wyoming as a demonstration farm under a memorandum of agreement. The sale of the other three tracts of land has been deferred because of irrigation water shortage. The Eden Valley Project Office has been closed. A soil conservation district has been organized and staffed to furnish technical assistance in soil and water conservation to the project settlers. Sufficient funds are available from prior-year appropriations to provide a reserve in case of need to protect the investment of the Government in the unsold tracts until they are disposed of and no new appropriations will be required.

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in—Funds appropriated to the President: "Agency for International Development," and "Public works acceleration."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Sale of maps and mosaics.....	621	620	620
2. Sale of personal property.....	641	731	700
3. Technical assistance to agricultural conservation program participants.....	8,297	8,000	8,000
4. Area Redevelopment program (Commerce).....	23	84	130
5. Miscellaneous services to other accounts.....	1,565	1,565	1,550
Total program costs, funded—obligations.....	11,147	11,000	11,000
Financing:			
Advances and reimbursements from—			
Other accounts.....	9,691	9,098	9,000
Non-Federal sources ¹	1,456	1,902	2,000
Total financing.....	11,147	11,000	11,000

¹ Reimbursements from non-Federal sources above are from: State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (16 U.S.C. 590a–590f); Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil and land use and other maps (7 U.S.C. 1387); and proceeds of sale of personal property (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	7,041	6,936	6,996
Positions other than permanent.....	1,336	1,361	1,354
Other personnel compensation.....	25	37	50
Total personnel compensation.....	8,402	8,334	8,400
12 Personnel benefits.....	646	623	590
21 Travel and transportation of persons.....	82	97	150
22 Transportation of things.....	9	10	10
23 Rent, communications, and utilities.....	58	59	60
24 Printing and reproduction.....	28	19	30
25 Other services.....	789	667	650
26 Supplies and materials.....	479	446	460
31 Equipment.....	654	745	650
Total obligations.....	11,147	11,000	11,000

Personnel Summary

Total number of permanent positions.....	475	475	500
Full-time equivalent of other positions.....	314	301	311
Average number of all employees.....	1,542	1,535	1,535
Number of employees at end of year.....	958	993	951
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,307	\$6,731	\$6,729

ECONOMIC RESEARCH SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; [\$9,500,000] \$10,301,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That not to exceed \$75,000 of the appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis. (5 U.S.C. 511-512; 7 U.S.C. 411, 1761-1768; 76 Stat. 605-632; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Excludes \$329 thousand for activities transferred in the estimates to "Salaries and expenses," Farmer Cooperative Service. The amounts obligated in 1962 and 1963 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Farm economics.....	3,277	3,463	3,817
2. Marketing economics.....	3,075	3,235	3,144
3. Domestic and foreign economic analysis.....	2,628	2,825	3,390
Total program costs, funded ¹	8,980	9,523	10,351
Change in selected resources ²	81		
Total obligations.....	9,061	9,523	10,351
Financing:			
Comparative transfers to other accounts.....	267	329	
Reimbursements for emergency preparedness functions.....			-50
Unobligated balance lapsing.....	32		
New obligational authority.....	9,360	9,852	10,301
New obligational authority:			
Appropriation.....	9,360	9,500	10,301
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		-5	
Appropriation (adjusted).....	9,360	9,495	10,301
Proposed transfer from "Reimbursement to Commodity Credit Corporation for special milk program" due to pay increases.....		357	

¹ Includes capital outlay as follows: 1962, \$72 thousand; 1963, \$30 thousand; 1964, \$30 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Unpaid undelivered orders.....	479	-173	390	390	390
Advances.....	7		4	4	4
Total selected resources.....	486	-173	394	394	394

Agricultural economics research in the Department is administered by the Economic Research Service. The results of the research program are relied upon by (a) producers, dealers, importers and exporters as aids in planning the most profitable adjustments in their operations, (b) Government agencies in formulating and administering agricultural programs, and (c) Congress in considering agricultural legislation.

1. *Farm economics*.—Research is conducted to measure, appraise, and analyze on a continuing basis, economic changes that occur in farming and in the use of rural resources and to indicate needed adjustments.

Research on the economics of farm production includes the economics of organization and management of farms; adjustments in production to prospective demands, and changing technologies; appraisals of costs and returns on farms representative of important types, sizes, and locations, and the appraisal of costs of producing important commodities; development of measures of farm output and productivity; problems of farm size and capital requirements; financing of farm enterprises, taxation, insurance and land values; and appraisal of alternative agricultural production policies and programs.

ECONOMIC RESEARCH SERVICE—Continued**General and special funds—Continued****SALARIES AND EXPENSES—Continued**

Resource development economics is concerned with the management of the Nation's land and water resources and particularly the changing rural economy and institutional structure. It includes economic development; improvement of income opportunities in depressed areas; rural renewal; analysis of river basin and watershed programs, land tenure, and resource organization and policy.

The increase requested for 1964 would permit intensified analysis of the requirements and potentials for land and water use on both a regional and national basis.

2. *Marketing economics.*—This activity covers economic aspects of marketing farm products, including the nature of farmers' bargaining power; potentials for new products and new uses; market structure, costs and margins; the economic effects of school lunch, special milk, food stamp, and direct food distribution programs.

3. *Domestic and foreign economic analysis.*—Domestic economic analysis is concerned with identifying, measuring, and analyzing: (1) the factors affecting demand, supply, and price of agricultural commodities; (2) relationships between the agricultural sector and the national economy; (3) farm income and the income of the farm population; (4) demand and consumption of farm products; (5) long-term projections of economic growth and farm products demand; (6) farm population, manpower and levels of living; and (7) historical developments in the policies, programs, and organization of the Department.

Foreign economic analysis includes trade studies and the investigation of supply-demand relations. The trade and market studies focus on the problems of developing foreign markets and the effect of these developments on agricultural production. Research is carried on in more than 100 countries, focusing on the forces affecting supply, demand, and trade in farm products, and their impact on U.S. agricultural exports.

The 1964 increase proposed would permit strengthening of domestic commodity outlook and situation reports and related analyses of alternative farm program proposals; expansion of analysis of world trade in farm products; and appraisal of impacts of multi-national and commodity arrangements on U.S. agricultural exports.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	6,372	7,280	7,978
Positions other than permanent.....	137	231	282
Other personnel compensation.....	39	26	90
Total personnel compensation.....	6,548	7,537	8,350
12 Personnel benefits.....	487	570	626
21 Travel and transportation of persons.....	433	322	359
22 Transportation of things.....	26	11	10
23 Rent, communications, and utilities.....	113	107	124
24 Printing and reproduction.....	181	170	170
25 Other services.....	718	449	366
Services of other agencies.....	320	243	245
26 Supplies and materials.....	62	65	65
31 Equipment.....	173	49	45
Total obligations.....	9,061	9,523	10,351

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	1,315	1,201	1,260
Full-time equivalent of other positions.....	26	33	49
Average number of all employees.....	898	968	1,004
Number of employees at end of year.....	1,015	1,043	1,111
Average GS grade.....	8.2	8.3	8.4
Average GS salary.....	\$7,169	\$7,638	\$7,703
Average salary of ungraded positions.....	\$5,671	\$6,102	\$6,102

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:

Funds Appropriated to the President, Agency for International Development.
Agriculture, Soil Conservation Service:
 "Flood Prevention."
 "Watershed Protection."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Economic research:			
Area Redevelopment Act (Commerce):			
Operations.....	34	42	66
Technical assistance.....	16	9	-----
Watershed protection.....	45	128	131
Other economic research.....	700	803	828
Total program costs, funded—obligations.....	795	982	1,025
Financing:			
Advances and reimbursements from other accounts.....	795	982	1,025

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	417	535	567
Positions other than permanent.....	113	104	109
Other personnel compensation.....	-----	-----	6
Total personnel compensation.....	530	639	682
12 Personnel benefits.....	38	48	51
21 Travel and transportation of persons.....	70	115	115
23 Rent, communications, and utilities.....	4	10	10
24 Printing and reproduction.....	5	2	2
25 Other services.....	70	12	12
Services of other agencies.....	68	153	150
26 Supplies and materials.....	6	3	3
31 Equipment.....	4	-----	-----
Total obligations.....	795	982	1,025

Personnel Summary

Total number of permanent positions.....	39	44	44
Full-time equivalent of other positions.....	25	26	26
Average number of all employees.....	71	84	89
Number of employees at end of year.....	62	71	77
Average GS grade.....	8.2	8.3	8.4
Average GS salary.....	\$7,169	\$7,638	\$7,703
Average salary of ungraded positions.....	\$5,671	\$6,102	\$6,102

STATISTICAL REPORTING SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, [\$9,693,000] \$11,552,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop. (5 U.S.C. 511-512, 556b; 7 U.S.C. 411, 411a, 411b, 471, 475, 501, 951-957; *Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Crop and livestock estimates.....	8,187	9,423	10,860
2. Statistical research and service.....	538	577	692
Total program costs, funded ¹	8,725	9,999	11,552
Change in selected resources ²	-3		
Total obligations.....	8,722	9,999	11,552
Financing:			
Unobligated balance lapsing.....	39		
New obligational authority.....	8,761	9,999	11,552
New obligational authority:			
Appropriation.....	8,768	9,693	11,552
Transferred to (-) —			
"Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728).....	-7	-3	
"Salaries and expenses, general administration" (76 Stat. 1212).....		-6	
Appropriation (adjusted).....	8,761	9,684	11,552
Proposed transfer from "Reimbursement to Commodity Credit Corporation for special milk program" due to pay increases.....		315	

¹ Includes capital outlay as follows: 1962, \$149 thousand; 1963, \$145 thousand; 1964, \$178 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$312 thousand; (1962 adjustments, \$8 thousand); 1962, \$317 thousand; 1963, \$317 thousand; 1964, \$317 thousand.

The Service administers programs relating to crop and livestock estimates and statistical research and service. The statistical and economic data developed on food and agriculture are essential to farmers, processors, and handlers in making production and marketing decisions, and to legislators, administrators and others concerned with developing and administering agricultural programs. The basic facts provided by this service are also essential to economic analyses and other agricultural research programs.

1. *Crop and livestock estimates.*—This service provides the official estimates on this Nation's agriculture, including acreage, yield, and production of crops, stocks, and value of farm commodities, numbers and inventory value of livestock items, and prices paid and received by farmers. These data also are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in some 700 reports issued each

year. The activity is conducted through 43 State offices serving 50 States, most of which are operated as joint State and Federal services. Cooperative arrangements with State agencies provide a considerable volume of additional data which would not be collected or made available from Federal funds. During 1962 cooperating States expended an estimated \$1.6 million of their own funds on these associated State programs. A comparison of activity data for 1961 and 1962, including work performed under cooperative arrangements, is as follows:

	1961 actual	1962 actual
Separate mailings of inquiry forms, average per field office.....	359	388
Total questionnaires handled:		
Number distributed.....	9,320,000	9,650,000
Number of returns tabulated.....	3,000,000	3,100,000
Number of objective survey contacts (measurements and interviews).....	90,300	103,000
Number of official reports issued, all offices.....	9,300	9,600
Copies of reports distributed.....	13,400,000	13,700,000
Publications distributed.....	3,570,000	3,520,000
Special requests for information answered by field offices.....	64,400	65,300

The increase for 1964 would be used to place the long-range program to improve the crop and livestock estimating service on a full operating basis in 11 Western States and on a pilot basis in 13 States and for reimbursement to the Post Office Department for certain mail surveys previously handled on a nonreimbursable basis.

2. *Statistical research and service.*—This work includes review of all statistical forms, survey plans, and reporting and recordkeeping requirements originating in the Department and requiring Bureau of the Budget approval; liaison for coordination of statistics within the Department and with other statistical agencies; development of new and improved methods and techniques, and providing technical consulting services to other agencies of the Department; research on and development of sampling, forecasting, and other basic statistical techniques and methods to improve the crop and livestock estimates of the Department; use of and consultation on automatic data processing to develop and adopt this medium for improving the accuracy and timeliness of crop and livestock estimates; and conduct of special surveys relating to the marketing of agricultural products. A comparison of activity data for 1961 and 1962 is as follows:

	1961 actual	1962 actual
Statistical forms—reports (Federal Reports Act): Departmental clearance and review for submission to Bureau of the Budget.....	558	593
Improvement of crop and livestock estimating methods:		
Number of research projects.....	12	12
Special surveys: Number of research projects.....	14	15

The increase for 1964 would be used for the development and adoption of modern automatic data processing methods related to basic data currently and previously collected.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	5,467	6,484	7,043
Positions other than permanent.....	533	672	971
Other personnel compensation.....	25	24	81
Total personnel compensation.....	6,025	7,180	8,095
12 Personnel benefits.....	460	516	584
21 Travel and transportation of persons.....	583	668	900
22 Transportation of things.....	70	70	76

STATISTICAL REPORTING SERVICE—Continued**General and special funds—Continued****SALARIES AND EXPENSES—Continued****Object Classification (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
23 Rent, communications, and utilities.....	654	696	872
24 Printing and reproduction.....	243	261	277
25 Other services.....	209	193	264
Services of other agencies.....	132	59	59
26 Supplies and materials.....	184	194	222
31 Equipment.....	162	162	203
Total obligations.....	8,722	9,999	11,552

Personnel Summary

Total number of permanent positions.....	1,304	1,151	1,231
Full-time equivalent of other positions.....	117	164	231
Average number of all employees.....	1,020	1,176	1,303
Number of employees at end of year.....	1,776	2,008	2,248
Average GS grade.....	6.5	6.6	6.7
Average GS salary.....	\$6,024	\$6,400	\$6,385
Average salary of ungraded positions.....	\$5,171	\$5,313	\$5,313

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, Funds Appropriated to the President, "Agency for International Development."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Statistical and tabulating services:			
Agriculture.....	567	1,026	1,285
Other agencies.....	707	176	270
2. Area Redevelopment Program (Commerce).....	4	11	31
Total program costs, funded.....	1,278	1,213	1,586
Change in selected resources ¹	—1	—	—
Total obligations.....	1,277	1,213	1,586
Financing:			
Advances and reimbursements from—			
Other accounts.....	1,255	1,186	1,559
Non-Federal sources ²	22	27	27
Total financing.....	1,277	1,213	1,586

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$1 thousand; 1962, \$0; 1963, \$0.

² Reimbursements from non-Federal sources are derived from the sale of personal property being replaced (40 U.S.C. 481 (c)), and from a cooperating State Department of Agriculture (7 U.S.C. 1624).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	644	836	1,109
Positions other than permanent.....	208	3	3
Other personnel compensation.....	10	30	42
Total personnel compensation.....	862	869	1,154
12 Personnel benefits.....	54	61	84
21 Travel and transportation of persons.....	165	7	9
22 Transportation of things.....	—	1	2
23 Rent, communications, and utilities.....	84	209	265
24 Printing and reproduction.....	15	20	27
25 Other services.....	18	8	12
Services of other agencies.....	59	16	5
26 Supplies and materials.....	9	15	20
31 Equipment.....	11	7	8
Total obligations.....	1,277	1,213	1,586

Personnel Summary

Total number of permanent positions.....	108	177	177
Full-time equivalent of other positions.....	45	—	—
Average number of all employees.....	152	141	177
Number of employees at end of year.....	47	152	170
Average GS grade.....	6.5	6.6	6.7
Average GS salary.....	\$6,024	\$6,400	\$6,385

AGRICULTURAL MARKETING SERVICE**General and special funds:****MARKETING RESEARCH AND SERVICE**

For expenses, *not otherwise provided for*, necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; and not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem, pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946, [\$39,794,500] \$42,905,000: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed [\$15,000] \$25,000, except for two buildings to be constructed or improved at a cost not to exceed [\$30,000] \$50,000 each, and the cost of altering any one building during the fiscal year shall not exceed [\$5,000] \$10,000 or [5] 10 per centum of the cost of the building, whichever is greater. (5 U.S.C. 511-512, 541a, 556b, 563-564, 575; 7 U.S.C. 51-65, 71-87, 91-99, 181-229, 241-273, 414a, 415b, 415e, 423, 440, 471-476, 501-508, 511-511q, 516, 581-589, 591-599, 1551-1610; 15 U.S.C. 251-257i; 21 U.S.C. 94a, 451-469; 26 U.S.C. 4851-4854, 4861-4865, 4871-4877, 6001, 6804, 7233, 7263, 7492-7493, 7701; 31 U.S.C. 725d; 76 Stat. 110; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Excludes \$123 thousand for activities transferred in the estimates to "Salaries and expenses," Farmer Cooperative Service. The amounts obligated in 1962 and 1963 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Direct program:			
1. Marketing research.....	4,306	4,862	5,009
2. Market news service.....	5,240	5,886	6,136
3. Inspection, grading, classing, and stand- ardization.....	24,078	26,243	27,491
4. Regulatory activities.....	3,387	3,880	4,179
5. Administration and coordination of State payments.....	78	86	90
Total direct program costs, funded ¹	37,090	40,957	42,905
Change in selected resources ²	375		
Total direct obligations.....	37,465	40,957	42,905
Reimbursable program:			
3. Inspection, grading, classing, and stand- ardization (obligations) ³	665	1,035	1,185
Total obligations.....	38,130	41,992	44,090
Financing:			
Comparative transfers to other accounts.....	119	123	
Advances and reimbursements (—).....			
For emergency preparedness functions.....			—150
From other accounts.....	—665	—1,035	—1,035
Unobligated balance lapsing.....	664		
New obligational authority.....	38,246	41,080	42,905
New obligational authority:			
Appropriation.....	38,040	39,794	42,905
Transferred from "Removal of surplus agri- cultural commodities" (5 U.S.C. 572).....	285		
Transferred to (—).....			
"Operating expenses, Public Buildings Service," General Services Administra- tion (75 Stat. 353 and 76 Stat. 728).....	—78	—42	
"Salaries and expenses, general admin- istration" (76 Stat. 1212).....		—7	
Appropriation (adjusted):			
Current.....	37,961	39,745	42,905
Permanent.....	285		
Proposed transfer from "Special milk program," Agricultural Marketing Service due to pay increases.....		1,335	

¹ Includes capital outlay as follows: 1962, \$449 thousand; 1963, \$522 thousand; 1964, \$400 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Unpaid undelivered orders.....	716	—71	995	995	995
Advances.....		1	26	26	26
Total selected resources.....	716	—70	1,021	1,021	1,021

³ Includes capital outlay as follows: 1962, \$5 thousand; 1963, \$10 thousand; 1964, \$9 thousand.

Domestic agricultural marketing and distribution functions of the Department are concentrated primarily in the Agricultural Marketing Service. The marketing job is increasing in complexity as the market structure is subjected to near revolutionary changes such as concentration in food retailing, trend toward direct buying, decentralization of processing, growth of interregional competition, and growing trend toward vertical integration and contract farming.

The estimate for 1964 includes an increase to meet the additional pay and postal costs resulting from Public Law 87-793.

1. *Marketing research.*—This work is directed toward developing practical answers to problems encountered in

moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to develop objective methods to determine quality, reduce losses from waste and spoilage, and improve efficiency in the physical handling of farm products as they move through marketing channels. The work includes research at each stage of marketing, such as assembly points, terminal or central markets, and retail markets.

	1959 actual	1960 actual	1961 actual	1962 actual
Individual research projects:				
Active at end of year.....	268	275	301	275
Completed during year.....	60	71	56	88
Initiated during year.....	25	78	82	62
Contracts for marketing research by private firms or other non-Federal agencies:				
Number negotiated during year.....	16	11	18	13
Number in effect, end of year.....	29	24	32	38

2. *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This daily market information enables American farmers to determine where and when to sell and at what price. Information is collected and disseminated at year-round and seasonal offices maintained in more than 130 cities and towns, often with local and other support and cooperation, generally from State Departments of Agriculture.

MARKET NEWS SERVICE

	1959 actual	1960 actual	1961 actual	1962 actual
States covered by cooperative agreement.....	40	41	41	43
Field Offices:				
Year-round.....	174	175	179	179
Seasonal.....	36	38	37	40
Buyers and sellers interviewed.....	21,742	24,567	22,287	22,859
Daily newspapers carrying reports (approximate).....	1,200	1,200	1,200	1,200
Stations broadcasting reports:				
Radio.....	1,470	1,584	1,584	1,584
Television.....	165	169	169	169
Mimeographed releases to growers, shippers, and others.....	25,733,345	24,673,455	23,364,240	23,609,907
Names on mailing list.....	295,139	273,185	268,445	263,108

3. *Inspection, grading, classing, and standardization.*—Nationally uniform standards of quality of agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of uniform quality products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. The mandatory inspection of poultry for wholesomeness is also carried on under this project. Approximately 55% of the total cost of this work was offset by fees and other revenue in 1962, which are shown principally under Agricultural Marketing Service trust funds in part II of the budget appendix.

STANDARDIZATION ACTIVITIES

	1959 actual	1960 actual	1961 actual	1962 actual
Grade standards in effect.....	1,385	1,545	1,523	1,535
Number of commodities covered.....	277	282	284	294

AGRICULTURAL MARKETING SERVICE—Con.**General and special funds—Continued****MARKETING RESEARCH AND SERVICE—Continued****INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS**

	Unit	1962 actual	1963 estimate	1964 estimate
Cotton classings by Federal employees.....		15,207,583	15,000,000	16,500,000
Grain inspections by licensees.....		3,661,988	3,600,000	3,600,000
Volume inspected.....	1,000 bu.	7,385,697	7,000,000	7,000,000
Poultry inspection:				
Inspected production.....	mil. lbs.	9,024	9,785	10,180
Plants under inspection June 30.....		984	1,076	1,086
Cities in which plants are located June 30.....		623	678	698
Evisceration lines under inspection June 30.....		1,411	1,445	1,488
Tobacco auction markets.....		177	177	177
Volume inspected at markets.....	mil. lbs.	2,080	2,180	2,180
Sets of buyers.....		238	238	238

The increase for 1964 would be used for inspecting the increasing volume of poultry produced and supervising new and enlarged poultry processing facilities.

4. *Regulatory activities.*—These include the administration of regulatory laws such as packers and stockyards, standard container, United States warehouse, and Federal seed, to assure fair play in the market place; to protect producers and handlers of agricultural commodities from financial loss due to careless or fraudulent marketing practices; and to preserve free and open competition in the marketing of farm products. Assistance is also provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies.

The increase for 1964 would be used to provide for more effective administration of the U.S. Warehouse Act. A supplemental estimate for 1963 is anticipated for separate transmittal.

	1962 actual	1963 estimate	1964 estimate
Packers and Stockyards Act:			
Yards posted and subject to supervision.....	2,272	2,320	2,320
Formal proceedings requiring action.....	400	542	611
Warehouse Act:			
Number of licensed warehouses.....	1,792	1,800	1,825
Capacity of licensed warehouses:			
Grain (million bushels).....	1,309.0	1,350.0	1,400.0
Cotton (million bales).....	13.7	13.7	13.8
Average number of supervisory inspections per warehouse.....	1.7	1.9	2.4
Seed Act:			
Import actions.....	13,852	19,000	20,000
Interstate investigations:			
Completed.....	1,100	1,000	1,000
Pending.....	443	443	443
Seed samples tested.....	19,573	23,300	23,300
Freight rate services:			
Formal litigation.....	58	58	58
Informal negotiations.....	32	32	32

5. *Administration and coordination of State payments.*—This covers the Federal activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation Payments to States and possessions. In 1963, this work is being carried on in 43 States with 130 work projects.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL MARKETING SERVICE			
Personnel compensation:			
Permanent positions.....	26,683	29,369	31,247
Positions other than permanent.....	1,174	1,653	1,761
Other personnel compensation.....	221	250	503
Total personnel compensation.....	28,078	31,272	33,511
Direct obligations:			
11 Personnel compensation.....	27,610	30,487	32,619
12 Personnel benefits.....	2,086	2,288	2,440
21 Travel and transportation of persons.....	2,413	2,830	2,880
22 Transportation of things.....	397	461	200
23 Rent, communications, and utilities.....	1,803	1,908	1,950
24 Printing and reproduction.....	318	370	350
25 Other services.....	1,089	995	1,000
Services of other agencies.....	535	549	556
26 Supplies and materials.....	506	529	510
31 Equipment.....	633	531	400
42 Insurance claims and indemnities.....	1		
Total direct obligations.....	37,391	40,948	42,905
Reimbursable obligations:			
11 Personnel compensation.....	468	785	892
12 Personnel benefits.....	30	56	64
21 Travel and transportation of persons.....	56	69	87
22 Transportation of things.....	33	38	40
23 Rent, communications, and utilities.....	35	35	36
24 Printing and reproduction.....	7	10	13
25 Other services.....	5	5	10
Services of other agencies.....	4	2	5
26 Supplies and materials.....	19	25	26
31 Equipment.....	8	10	12
Total reimbursable obligations.....	665	1,035	1,185
Total, Agricultural Marketing Service.....	38,056	41,983	44,090
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	66		
Services of other agencies.....	8	9	
Total, General Services Administration.....	74	9	
Total obligations.....	38,130	41,992	44,090

Personnel Summary

Total number of permanent positions.....	5,903	5,197	5,267
Full-time equivalent of other positions.....	279	361	361
Average number of all employees.....	4,385	4,608	4,710
Number of employees at end of year.....	4,150	4,449	4,519
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850

Proposed for separate transmittal:**MARKETING RESEARCH AND SERVICE****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Regulatory activities (costs—obligations).....		60	
Financing:			
New obligational authority (proposed supplemental appropriation).....		60	

Under existing legislation, 1963.—A proposed supplemental appropriation is anticipated for accelerating the rate of examination of warehouses licensed under the U.S. Warehouse Act, particularly those storing grain.

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of necessary land therefor, \$1,600,000, to remain available until expended. (5 U.S.C. 565a; 7 U.S.C. 428a.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Construction of marketing research facilities (program costs, funded).....			955
Change in selected resources ¹			645
Total obligations			1,600
Financing:			
New obligational authority (appropriation).....			1,600

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, \$0; 1964, \$645 thousand.

The proposed appropriation would provide for construction of a national peanut quality evaluation facility at Dawson, Ga.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....			9
Services of other agencies.....			60
32 Lands and structures.....			1,531
Total obligations			1,600

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,425,000. (*Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Payment for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (costs—obligations) (object class 41).....	1,325	1,425	1,425
Financing:			
New obligational authority (appropriation)....	1,325	1,425	1,425

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved marketing service programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies

in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; expanding outlets for surplus products; and the collection and dissemination of special State and local market information and statistics. Through this cooperative approach, the Federal Government's leadership and money are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

In 1963, 43 States are conducting about 130 projects under this program.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (75 Stat. 319), \$105,000,000] 7 U.S.C. 1446, note), \$102,000,000. (*Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Cash payments to States.....		99,277	101,252
2. Operating expenses.....		720	748
Total program costs, funded—obligations ¹		99,997	102,000
Financing:			
New obligational authority.....		99,997	102,000
New obligational authority:			
Appropriation.....		105,000	102,000
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		—3	—
Appropriation (adjusted)		104,997	102,000
Proposed transfers due to pay increases to (—):			
"Salaries and expenses," Agricultural Research Service.....		—3,225	—
"Marketing research and service," Agricultural Marketing Service.....		—1,335	—
"Salaries and expenses," Rural Electrification Administration.....		—440	—

¹ Includes capital outlay as follows: 1963, \$4 thousand; 1964, \$4 thousand.

This program is designed to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under, child-care centers, summer camps and similar nonprofit institutions.

From its inception in 1955 through 1962, the program was financed through advances from Commodity Credit Corporation funds. The Agricultural Act of 1961 changed the financing to a direct appropriation beginning July 1, 1962.

1. *Cash payments to States.*—Funds are advanced to State agencies to reimburse eligible participants for a part of the cost of the fluid milk consumed. An initial reserve is established at the beginning of the fiscal year for each State based on the total amount of reimbursement payments made during the preceding fiscal year adjusted for average growth. In selected needy schools, reimbursement payments may be made for the full cost of this milk for children who are unable to pay.

In 1962 over 2.6 billion half-pints of fluid milk were consumed by children—nearly six times the quantity in

AGRICULTURAL MARKETING SERVICE—Con.

General and special funds—Continued

SPECIAL MILK PROGRAM—Continued

1955, the first year of operation of the program. This represents over 2.5% of the total nonfarm consumption of fluid milk in the United States. Efforts are being continued in 1963 to bring the benefits of this program to more needy schools and needy children in areas of high economic distress.

Program activities from 1961 through 1964 are as follows:

	1961 actual	1962 preliminary	1963 estimate	1964 estimate
Outlets participating.....	86,494	88,191	90,000	92,000
Half-pints of milk reimbursed (million).....	2,476.7	2,645.9	2,850.0	2,978.0
Average reimbursement rate per half-pint.....	3.40¢	3.38¢	3.40¢	3.40¢

2. *Operating expenses.*—Administrative and technical assistance is furnished to State agencies, participating schools, and child-care institutions. Policies, procedures, and standards are developed for administering the program and determining eligibility. The program is administered directly in 7,260 outlets where the State agency is prohibited by law from disbursing funds to such participants.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....		555	576
Positions other than permanent.....		2	1
Other personnel compensation.....			5
Total personnel compensation.....		557	582
12 Personnel benefits.....		43	45
21 Travel and transportation of persons.....		48	48
22 Transportation of things.....		4	4
23 Rent, communications, and utilities.....		17	17
24 Printing and reproduction.....		27	27
25 Other services.....		10	10
Services of other agencies.....		1	1
26 Supplies and materials.....		9	9
31 Equipment.....		4	4
41 Grants, subsidies, and contributions (cash payments).....		99,277	101,253
Total obligations.....		99,997	102,000

Personnel Summary

Total number of permanent positions.....	88	88
Average number of all employees.....	80	80
Number of employees at end of year.....	76	76
Average GS grade.....	7.8	7.8
Average GS salary.....	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,837	\$4,850

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), [\$125,000,000] \$137,000,000, including \$2,000,000 for special assistance to needy schools as authorized by law (76 Stat. 944-947): *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Food assistance:			
(a) Cash payments to States.....	98,737	108,600	120,600
(b) Commodity procurement.....	68,914	59,434	59,300
2. Operating expenses.....	1,665	1,959	2,100
Total program costs, funded ¹	169,316	169,993	182,000
Change in selected resources ²	—18		
Total obligations.....	169,298	169,993	182,000
Financing:			
Unobligated balance lapsing.....	702		
New obligational authority.....	170,000	169,993	182,000
New obligational authority:			
Appropriation.....	125,000	125,000	137,000
Transferred from "Removal of surplus agricultural commodities" (76 Stat. 1208).....	45,000	45,000	45,000
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		—7	
Appropriation (adjusted):			
Current.....	125,000	124,993	137,000
Permanent.....	45,000	45,000	45,000

¹ Includes capital outlay as follows: 1962, \$10 thousand; 1963, \$11 thousand; 1964, \$11 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$25 thousand; 1962, \$7 thousand; 1963, \$7 thousand; 1964, \$7 thousand.

1. *Food assistance*, in the form of both funds and food, is provided to the States and possessions in serving lunches to school children. Each State's portion of the funds available was determined by a statutory formula through fiscal year 1962. The formula took into account the number of school-age children in the State and the relationship between the per capita income of the State and the average United States per capita income. The amendment to the act, effective July 1, 1962, changed the formula to include participation in place of school-age population. A new provision is also included in the amendment for providing special cash assistance to needy schools in serving free or reduced price lunches.

The increase for 1964 would provide for growth in the program, some further cushioning of the impact of transition to the new formula, and initiating a program of special assistance to needy schools.

The program is operated under an agreement entered into by the State educational agency and the Department of Agriculture. Schools make application to the State agency and if accepted are reimbursed for a part of the food cost of each meal served. In 1962, the States contributed to this program \$892 million, most of which came from payments by children. This was far in excess of the statutory matching requirement of \$3 for each Federal dollar of cash payment.

This appropriation is also used to purchase food for distribution to the schools to round out their nutritional needs. Transfers are made to this appropriation from the fund Removal of surplus agricultural commodities for the purchase and distribution of agricultural commodities and other foods. Further, commodities acquired under price support and surplus removal programs, and assistance through the special milk program are available to the schools. The volume of surplus commodities distributed to schools, however, depends upon market conditions.

The program during the peak month in 1962 provided lunches to over 32% of the approximately 43,400,000 school children in the country. The number of lunches served, increased approximately 6.68% over 1961. Participation in the program in December 1961 reached 14,200,000 children in 64,447 schools and an appreciable increase is expected in 1963 and 1964.

During 1962 over \$781 million worth of agricultural commodities were used in the program. Over 23% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support programs. About 77% of the food used in the program was purchased by the schools through local suppliers.

Participation in the program from 1961 through 1964 is as follows:

	1961 actual	1962 preliminary	1963 estimate	1964 estimate
Number of schools (month of peak participation).....	64,303	65,965	64,800	65,300
Number of school children (peak—thousands).....	13,454	14,184	14,964	15,787
Number of meals served (millions)....	2,275	2,429	2,577	2,720

Financing of the program in the last 4 years was as follows (in millions of dollars):

	1959	1960	1961	1962
State and local contributions (total, including payments by children)....	708.8	775.8	824.7	892.0
Federal appropriation (National School Lunch Act):				
(a) Cash payments.....	93.8	93.7	93.6	98.7
(b) Commodity distribution (sec. 6).....	42.7	61.1	61.1	68.2
Surplus commodity distribution.....	66.8	70.9	71.6	113.0
Special milk program.....	72.4	78.0	81.4	83.9
Federal contributions.....	275.7	303.7	307.7	363.8
Total, all contributions.....	984.5	1,079.5	1,132.4	1,255.8

2. *Operating expenses* consist of administrative and technical assistance to State agencies and participating schools; formulating policies and administering the program including audits; and administering the program directly in over 2,800 private schools where the State educational agency is prohibited by law from disbursing funds.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL MARKETING SERVICE			
11 Personnel compensation:			
Permanent positions.....	1,088	1,234	1,293
Positions other than permanent.....	2	2	2
Other personnel compensation.....	7	4	13
Total personnel compensation.....	1,097	1,240	1,308
12 Personnel benefits.....	84	91	96
21 Travel and transportation of persons.....	159	160	185
22 Transportation of things.....	3	3	10
23 Rent, communications, and utilities.....	47	50	61
24 Printing and reproduction.....	21	30	95
25 Other services.....	11	9	15
Services of other agencies.....	42	138	65
26 Supplies and materials.....	8	9	18
Grants of commodities to States.....	68,892	59,434	59,300
31 Equipment.....	9	9	12
41 Grants, subsidies, and contributions (cash payments).....	98,737	108,600	120,600
Total, Agricultural Marketing Service.....	169,110	169,773	181,765

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
ALLOCATION TO AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	152	173	
Positions other than permanent.....	1	2	
Other personnel compensation.....	2	4	
Total personnel compensation.....	155	179	
12 Personnel benefits.....	11	14	
21 Travel and transportation of persons.....	1	3	
22 Transportation of things.....	1	1	
23 Rent, communications, and utilities.....	16	18	
24 Printing and reproduction.....	1	1	
25 Other services.....	1	2	
Services of other agencies.....			235
26 Supplies and materials.....	1	2	
31 Equipment.....	1		
Total, Agricultural Stabilization and Conservation Service.....	188	220	235
Total obligations.....	169,298	169,993	182,000

Personnel Summary

AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	179	186	186
Full-time equivalent of other positions.....	1		
Average number of all employees.....	160	175	174
Number of employees at end of year.....	173	175	174
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850
ALLOCATION TO AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
Total number of permanent positions.....	28	32	
Full-time equivalent of other positions.....		1	
Average number of all employees.....	28	30	
Number of employees at end of year.....	9	12	
Average GS grade.....	6.9	7.0	
Average GS salary.....	\$6,274	\$6,731	

Proposed for separate transmittal:

FOOD STAMP PROGRAM

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Food stamp program (costs—obligations).....			25,000
Financing:			
New obligational authority (proposed supplemental appropriation).....			25,000

Under proposed legislation, 1964.—Legislation is being proposed to the Congress to provide specific enabling authority for a permanent food stamp program to be administered by this Department. It is contemplated that such legislation will provide for financing of the program by direct appropriation and that a supplemental appropriation will be submitted to the Congress for costs of the food stamp program upon the enactment of such legislation.

AGRICULTURAL MARKETING SERVICE—Con.

General and special funds—Continued

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture:

"Commodity Credit Corporation fund."

"Commodity Credit Corporation, administrative expenses."

Funds Appropriated to the President, "Agency for International Development."

Office of Emergency Planning, "Civil defense and defense mobilization functions of Federal agencies."

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Permanent, indefinite)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$4,754,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, and (4) not more than \$51,500,000 for expenses for the Pilot Food Stamp Program.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases	168,065	163,984	164,493
(b) Diversion payments	10,980		
(c) Export payments	1,532		
2. Food stamp program	14,292	51,500	26,500
3. Operating expenses	3,265	3,978	4,253
4. Marketing agreements and orders	2,667	5,511	4,754
Total program costs, funded ¹	200,801	224,973	200,000
Change in selected resources ²	-36,807		
Total obligations	163,994	224,973	200,000
Financing:			
Unobligated balance brought forward (—)	-300,000	-300,000	-300,000
Recovery of prior year obligations (—)	-1,025		
Unobligated balance carried forward	300,000	300,000	300,000
Unobligated balance lapsing	109,699	39,880	108,183
New obligational authority	272,668	264,853	308,183
New obligational authority:			
Appropriation	325,827	318,069	361,500
Transferred to (—) —			
"Salaries and expenses, general administration" (76 Stat. 1212)		-27	
"Promote and develop fishery products and research pertaining to American fisheries," Bureau of Commercial Fisheries, Interior (15 U.S.C. 713c as amended by Act of August 3, 1956)	-4,757	-5,071	-5,200
"School lunch program," Agricultural Marketing Service (76 Stat. 1208)	-45,000	-45,000	-45,000
"Salaries and expenses," Foreign Agricultural Service (76 Stat. 1209)	-3,117	-3,117	-3,117
"Marketing research and service," Agricultural Marketing Service (5 U.S.C. 572)	-285		
Appropriation (adjusted)	272,668	264,853	308,183

¹ Includes capital outlay as follows: 1962, \$49 thousand; 1963, \$64 thousand; 1964, \$53 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Stores	6,528		17,716	17,716	17,716
Unpaid undelivered orders	67,100	-1,025	18,080	18,080	18,080
Total selected resources	73,628	-1,025	35,796	35,796	35,796

Under section 32 of the act of August 24, 1935 (7 U.S.C. 612c), an amount equal to 30% of customs receipts during each calendar year (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of the Interior to encourage the distribution of fishery products), and unused balances up to \$300 million are available for expanding domestic and foreign market outlets for farm commodities. As provided in recent appropriation acts, transfers have been made from this fund to the school lunch program for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. Section 32 funds are also authorized for the administration of marketing agreements and orders, and the section 22 import-control programs. The basic legislation provides that funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. It has been determined that this provision can be legally satisfied by reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose.

1. *Commodity program payments* are of four types: (a) *Direct purchases* are donated to the school lunch program, charitable institutions serving needy persons, and persons certified by welfare agencies as eligible for relief; (b) *Diversion payments* enable processors to purchase surplus commodities on the domestic market, divert them to by-products and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; (c) *Export payments* enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices; (d) *Production payments*, none of which were made in 1962, help to reestablish farmers' purchasing power. During the past 2 years assistance under these programs was given to the following commodity groups (in millions of dollars):

Obligations	1961	1962
Dairy products	116.4	0.9
Eggs and poultry	37.6	31.2
Fruits	1.4	1.5
Grains	3.0	1.7
Livestock	78.2	82.0
Peanut butter	12.6	8.2
Tobacco	—	1.5
Vegetables	3.2	16.7
Miscellaneous8	—
Total	253.2	143.7

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1963 and 1964 reflect in total the requirements based on the situation as now foreseen. Distribution of the total in advance would be highly tentative since the type of program to be used is dependent upon a determination at the time of the kind of action which will best meet the particular need which had developed. If troublesome surpluses not now foreseen should develop, steps will be taken to use additional available funds for their removal or diversion as conditions might warrant.

2. *Food stamp program payments* aim to encourage increased domestic use of agricultural food commodities among low-income families through issuance of food coupons which may be used in retail stores for the purchase of commercial-brand foods. In September 1962, 131,811

needy persons were participating in the 8 pilot areas in operation last fiscal year. In the 40 additional areas in which the program has been offered, there are an estimated 398,000 needy persons eligible for participation.

A supplemental appropriation for 1964 is anticipated for separate transmittal.

3. *Operating expenses* occur mainly in connection with purchasing, exporting, and diverting surplus commodities and in distributing section 32 and Commodity Credit Corporation commodities to eligible outlets. Distribution in 1962 including that under section 6 of the National School Lunch Act, is summarized below (in millions):

	<i>Number of recipients (peak month)</i>	<i>Value of commodities distributed</i>	<i>Pounds of commodities distributed</i>
By recipients:			
School children.....	16.0	\$181.2	784.0
Needy persons.....	7.4	226.9	1,377.0
Persons in charitable institutions....	1.4	25.9	179.9
Foreign countries: 111.....		224.6	2,704.1
Total.....		658.6	5,045.0
By program:			
Section 32.....		128.8	541.4
Donation by Commodity Credit Corporation under section 416.....		461.6	4,182.4
Section 6, National School Lunch Act.....		68.2	321.2
Total.....		658.6	5,045.0

Supervisory assistance is furnished local and State groups to encourage the preservation of surpluses for year round use. In cooperation with the food trade, press and radio, greater consumption of abundant foods is encouraged. In 1962 the monthly plentiful foods list contained an average of 8 foods, and 7 national and 30 area, State, and local drives were conducted.

4. *Marketing agreements and orders* are put into effect upon request of producers or handlers after hearings and investigations, and approval by producers (and handlers in case of marketing agreements). They help to stabilize prices and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessments upon handlers. On June 30, 1962, there were 83 orders in effect for milk and 44 covering tree fruits, tree nuts, and vegetables. Agreement and order programs including developmental work pursuant to the Agricultural Act of 1961 are being financed under this project. The cost of developmental work, consisting of the expenses of advisory committees, public hearings and referenda, is expected to decrease in 1964.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL MARKETING SERVICE			
11 Personnel compensation:			
Permanent positions.....	3,181	4,974	5,389
Positions other than permanent.....	42	18	20
Other personnel compensation.....	7	4	30
Total personnel compensation.....	3,230	4,996	5,439

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL MARKETING SERVICE—Continued			
12 Personnel benefits.....	238	368	409
21 Travel and transportation of persons.....	396	765	625
22 Transportation of things.....	17	24	33
23 Rent, communications, and utilities.....	154	243	204
24 Printing and reproduction.....	63	118	114
25 Other services.....	60	217	151
Services of other agencies.....	244	2,713	1,833
26 Supplies and materials.....	42	54	63
Grants of commodities to States.....	124,185	150,984	154,493
31 Equipment.....	38	60	53
41 Grants, subsidies, and contributions (Com- modity program payments).....	14,920	53,018	25,757
Total, Agricultural Marketing Service.....	143,587	213,560	189,174
ALLOCATION TO AGRICULTURAL STA- BILIZATION AND CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	1,296	982	
Positions other than permanent.....	18	8	
Other personnel compensation.....	5	6	
Total personnel compensation.....	1,319	996	
12 Personnel benefits.....	99	84	
21 Travel and transportation of persons.....	231	97	
22 Transportation of things.....	6	4	
23 Rent, communications, and utilities.....	69	58	
24 Printing and reproduction.....	50	12	
25 Other services.....	80	20	
Services of other agencies.....	43	25	826
Advanced to "Expenses, Agricultural Sta- bilization and Conservation Service".....	479	103	
26 Supplies and materials.....	14	10	
Grants of commodities to States.....	7,042		
31 Equipment.....	18	4	
41 Grants, subsidies, and contributions.....	10,957	10,000	10,000
Total, Agricultural Stabilization and Conservation Service.....	20,407	11,413	10,826
Total obligations.....	163,994	224,973	200,000

Personnel Summary

AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	585	813	790
Full-time equivalent of other positions.....	14	4	4
Average number of all employees.....	464	719	681
Number of employees at end of year.....	494	783	583
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850
ALLOCATION TO AGRICULTURAL STABILIZATION AND CONSERVA- TION SERVICE			
Total number of permanent positions.....	208	275	
Full-time equivalent of other positions.....	2	5	
Average number of all employees.....	193	145	
Number of employees at end of year.....	193	80	
Average GS grade.....	6.9	7.0	
Average GS salary.....	\$6,274	\$6,731	

AGRICULTURAL MARKETING SERVICE—Con.

General and special funds—Continued

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Permanent, indefinite, special fund)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Licensing dealers and handling complaints:			
Direct costs.....	737	849	922
Reimbursable costs.....	25	6	-----
Total program costs, funded ¹	762	855	922
Change in selected resources ²	—2	-----	-----
Total obligations.....	760	855	922
Financing:			
Unobligated balance brought forward (—).....	—244	—174	—54
Advances from Marketing research and service (7 U.S.C. 499s) (—).....	—25	—6	-----
Unobligated balance carried forward.....	174	54	45
New obligational authority (appropriation).....	665	729	913

¹ Includes capital outlay as follows: 1962, \$2 thousand; 1963, \$1 thousand; 1964, \$2 thousand.

² Selected resources as of June 30 are as follows: 1961, \$2 thousand; 1962, \$1 thousand; 1963, \$1 thousand; 1964, \$1 thousand.

License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities, and the Produce Agency Acts (7 U.S.C. 491–497, 499a–499s). Public Law 87–725, enacted October 1, 1962, authorizes an increase in fees from \$25 to a maximum of \$50. Effective January 1, 1963, the fee will be increased to \$36.

These acts are intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements agreeable to both parties, (b) formal decisions involving payments of reparation awards between parties, and (c) suspension or revocation of license and/or publication of the facts. Approximately 25,000 licenses were in effect on June 30, 1962, and some decrease is expected by 1964 due to additional exemptions authorized by the amendment approved October 1, 1962. Complaints received are expected to number about 2,300 in 1964—about 300 more than in 1962.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	610	683	736
Positions other than permanent.....	5	3	4
Other personnel compensation.....	1	-----	6
Total personnel compensation.....	616	686	746
12 Personnel benefits.....	21	52	56
21 Travel and transportation of persons.....	42	48	53
22 Transportation of things.....	3	2	2
23 Rent, communications, and utilities.....	30	33	33
24 Printing and reproduction.....	9	13	13
25 Other services.....	8	8	9
26 Supplies and materials.....	5	6	7

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Direct obligations—Continued			
31 Equipment.....	1	1	3
Total direct obligations.....	735	849	922
Reimbursable obligations:			
12 Personnel benefits.....	25	6	-----
Total obligations.....	760	855	922

Personnel Summary

Total number of permanent positions.....	115	112	118
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	98	103	109
Number of employees at end of year.....	97	98	104
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Market news service:			
Department of Agriculture.....	78	90	90
State agencies under cooperative agreement.....	217	206	206
Non-Federal sources.....	1	1	1
2. Inspection, grading, classing, and standardization:			
Department of Agriculture.....	101	163	163
Other Federal agencies.....	11	5	5
Non-Federal sources.....	2,166	2,274	2,274
3. Wool marketing agreements.....	2	-----	-----
4. Research on cotton quality evaluation.....	14	72	72
5. Entomological research for Navy.....	34	20	20
6. Storage research on Commodity Credit Corporation-owned grain.....	129	146	146
7. Area redevelopment.....	6	26	37
8. Miscellaneous services to other accounts.....	32	11	10
Total program costs, funded ¹	2,791	3,014	3,024
Change in selected resources ²	—21	—72	—72
Total obligations.....	2,770	2,942	2,952
Financing:			
Unobligated balance brought forward.....	2	-----	-----
Advances and reimbursements from—			
Other accounts.....	374	455	466
Non-Federal sources ³	2,394	2,487	2,486
Total financing.....	2,770	2,942	2,952

¹ Includes capital outlay as follows: 1962, \$13 thousand; 1963, \$12 thousand; 1964, \$12 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$167 thousand (1962 adjustments, \$4 thousand); 1962, \$150 thousand; 1963, \$78 thousand; 1964, \$6 thousand.

³ Reimbursements from non-Federal sources above include amounts from cooperating universities and State, county, local, and private agricultural agencies (5 U.S.C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U.S.C. 511e); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); for overtime and holiday work performed at poultry processing plants and in connection with appeal inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); from refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30p); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)).

1962 amounts exclude \$352 thousand of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	889	867	872
Positions other than permanent.....	2	7	7
Other personnel compensation.....	1,506	1,763	1,768
Total personnel compensation.....	2,397	2,637	2,647
12 Personnel benefits.....	66	52	53
21 Travel and transportation of persons.....	144	85	85
22 Transportation of things.....	3	2	2
23 Rent, communications, and utilities.....	91	98	98
24 Printing and reproduction.....	5	8	8
25 Other services.....	14	20	19
Services of other agencies.....	12		
26 Supplies and materials.....	23	27	27
31 Equipment.....	15	13	13
Total obligations.....	2,770	2,942	2,952

Personnel Summary

Total number of permanent positions.....	168	169	170
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	137	149	149
Number of employees at end of year.....	116	115	115
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850

FOREIGN AGRICULTURAL SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [\$16,895,000] \$19,039,000: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and \$1,417,000 of the funds available for administrative expenses of the Commodity Credit Corporation, shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service. (5 U.S.C. 511-512; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Includes \$1,000 thousand for activities previously carried under "Salaries and expenses (special foreign currency program)," Foreign Agricultural Service. The amounts obligated in 1962 and 1963 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. International agricultural affairs.....	428	494	625
2. Agricultural attachés.....	3,562	3,905	4,431
3. Export programs.....	6,771	12,718	12,283
4. Commodity programs.....	2,199	2,236	2,423
5. Barter and stockpiling.....	518	550	599
6. General sales management.....	418	715	818
Total program costs, funded ¹	13,896	20,618	21,179

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Change in selected resources ²	5,228	1,916	2,394
Total obligations.....	19,124	22,534	23,573
Financing:			
Comparative transfers from other accounts (—).....	-2,722	-1,011	
Advances and reimbursements from "Limitation on administrative expenses, Commodity Credit Corporation" (—).....	-1,035	-1,265	-1,417
Unobligated balance lapsing.....	207		
New obligational authority.....	15,574	20,258	22,156
New obligational authority:			
Appropriation.....	12,457	16,895	19,039
Transferred from "Removal of surplus agricultural commodities" (76 Stat. 1209).....	3,117	3,117	3,117
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		-1	
Appropriation (adjusted):			
Current.....	12,457	16,894	19,039
Permanent.....	3,117	3,117	3,117
Proposed transfer from "Reimbursement to Commodity Credit Corporation for cost of special milk program" due to pay increases.....		247	

¹ Includes capital outlay as follows: 1962, \$122 thousand; 1963, \$110 thousand; 1964, \$110 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Unpaid undelivered orders.....	5,874	-78	10,697	12,028	14,183
Advances.....	420	---	747	1,331	1,570
Total selected resources.....	6,294	-78	11,443	13,359	15,753

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products.

The agency performs three principal kinds of service functions: (a) It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies; (b) it helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products; (c) it coordinates Department of Agriculture activities and relationships in the foreign field, including relations with international organizations and foreign governments.

1. *International agricultural affairs.*—The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Of special importance at this time is the relationship with the European Common Market and intensive efforts are being made to maintain access to the Market for U.S. agricultural commodities. This requires comprehensive analysis of the developing situation in the Common Market countries and related trade areas and appropriate representation to officials of the European Economic Community. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade

FOREIGN AGRICULTURAL SERVICE—Continued

General and special funds—Continued

SALARIES AND EXPENSES—Continued

regulations of signatories to the General Agreement on Tariffs and Trade as these regulations affect the movement of American farm products in international trade. Policies, programs, positions, and standards of participation in public and private international organizations are developed. The Service administers a program of import controls in accordance with section 22 of the Agricultural Adjustment Act of 1935, as amended.

2. *Agricultural attachés.*—Agricultural attachés located in 55 countries assist in the development of markets abroad for U.S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting is maintained to meet the needs of the American agricultural industry.

3. *Export programs.*—Maintenance and expansion of foreign markets for surplus agricultural products are promoted by (a) developing agreements with foreign countries for sales of U.S. agricultural commodities under Public Law 480, and following up on the shipments of those commodities; and (b) directing and financing the operation of market development projects for agricultural products. Market development projects are, in most cases, carried out in cooperation with commodity trade groups under cooperative agreements. These projects carried out in foreign countries expand markets for U.S. agricultural commodities.

4. *Commodity programs.*—Information on foreign market requirements for specific commodities is obtained, analyzed, and made available to farm and trade groups. Market programs are developed for use by producers, exporters, and Government officials to maintain and expand the market abroad for U.S. farm products. Assistance is rendered to domestic trade representatives in negotiations with foreign government officials, importers, and consumers and for bringing together American exporters and foreign importers under conditions favorable to trade.

5. *Barter and stockpiling.*—The Service, in cooperation with other Government agencies, conducts a barter program designed to utilize surplus agricultural commodities, in lieu of dollars, in acquiring goods, materials and equipment required by other government agencies from other countries. This work is financed with funds transferred from Administrative expenses, Commodity Credit Corporation.

6. *General sales management.*—The Service conducts a program to develop sales, and pricing policies and programs for sales for export including sales for credit. The program also now includes price and quality review. Foreign data on prices and stocks, and rail, truck, barge, and ocean freight rates and other market information is collected and recorded for use in program development. Information concerning prices and other sales terms, sales programs and commodity availabilities is furnished to U.S. exporters, foreign importers and foreign government officials. This work is financed with funds transferred from Administrative expenses, Commodity Credit Corporation.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
FOREIGN AGRICULTURAL SERVICE			
11 Personnel compensation:			
Permanent positions.....	5,651	6,306	6,990
Positions other than permanent.....	58	61	64
Other personnel compensation.....	42	55	105
Total personnel compensation.....	5,751	6,423	7,159
12 Personnel benefits.....	595	663	741
21 Travel and transportation of persons.....	941	929	975
22 Transportation of things.....	294	236	285
23 Rent, communications, and utilities.....	241	227	231
24 Printing and reproduction.....	142	149	150
25 Other services.....	9,982	12,518	12,768
Services of other agencies.....	897	953	1,055
26 Supplies and materials.....	67	66	81
31 Equipment.....	139	101	128
Total, Foreign Agricultural Service.....	19,049	22,265	23,573
ALLOCATION ACCOUNTS			
25 Other services.....	71	253	-----
26 Supplies and materials.....	3	11	-----
31 Equipment.....	1	5	-----
Total, allocation accounts.....	75	269	-----
Total obligations.....	19,124	22,534	23,573
Obligations are distributed as follows:			
Agriculture, Foreign Agricultural Service.....	19,049	22,265	23,573
Commerce.....	50	269	-----
United States Information Agency.....	25	-----	-----

Personnel Summary

Total number of permanent positions.....	809	855	911
Full-time equivalent of other positions.....	12	12	12
Average number of all employees.....	743	833	884
Number of employees at end of year.....	786	842	898
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$8,434	\$8,652	\$8,596
Average salary of ungraded positions.....	\$3,028	\$3,049	\$3,044

[SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)]

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development activities authorized by section 104(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)), \$4,000,000, to remain available until expended: *Provided*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That this appropriation shall be available, in addition to other appropriations for these purposes, for the purchase of the foregoing currencies. (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Estimate of \$1,000 thousand for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses," Foreign Agricultural Service. The amounts obligated in 1962 and 1963 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Market development projects (program costs, funded).....	776	2,078	1,920
Change in selected resources ¹	856	988	80
Total obligations.....	1,632	3,066	2,000
Financing:			
Comparative transfer to other accounts.....	2,722	1,011	-----
Unobligated balance brought forward (—).....	—4,816	—3,906	—3,829
Unobligated balance carried forward.....	3,906	3,829	1,829
New obligational authority (appropriation).....	3,444	4,000	-----

¹ Selected resources as of June 30, are as follows:

	1961	1962	1963	1964
Unpaid undelivered orders.....	849	1,673	2,614	2,690
Advances.....	59	91	138	142
Total selected resources.....	908	1,764	2,752	2,832

Market development projects.—Foreign currencies generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, are used by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. In 1964 it is planned that the unobligated balance brought forward in this appropriation will be used to purchase those currencies determined to be excess to the normal requirements of the United States. Dollar funds for use in other countries are included in the appropriation Salaries and expenses.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
FOREIGN AGRICULTURAL SERVICE			
11 Personnel compensation: Permanent positions.....	37	40	40
12 Personnel benefits.....	2	2	2
21 Travel and transportation of persons.....	41	53	87
23 Rent, communications, and utilities.....	16	31	88
25 Other services.....	1,338	2,472	1,585
Services of other agencies.....	188	190	190
26 Supplies and materials.....	5	12	8
Total, Foreign Agricultural Service.....	1,627	2,800	2,000
ALLOCATION TO COMMERCE			
21 Travel and transportation of persons.....	-----	34	-----
23 Rent, communications, and utilities.....	1	57	-----
25 Other services.....	4	175	-----
Total, Commerce.....	5	266	-----
Total obligations.....	1,632	3,066	2,000

Personnel Summary

Total number of permanent positions.....	21	22	22
Average number of all employees.....	20	22	22

Personnel Summary—Continued

	1962 actual	1963 estimate	1964 estimate
Number of employees at end of year.....	21	22	22
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$8,434	\$8,652	\$8,596
Average salary of ungraded positions.....	\$3,028	\$3,049	\$3,044

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
Funds Appropriated to the President, "Agency for International Development."
Agriculture:
"Commodity Credit Corporation fund."
"Commodity Credit Corporation, administrative expenses."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter and stockpiling.....	1	2	2
2. Market development projects.....	17	-----	-----
3. Sale of personal property.....	8	4	-----
4. Miscellaneous service to other accounts.....	17	39	43
Total program costs, funded—obligations.....	43	45	45
Financing:			
Advances and reimbursements from—			
Other accounts.....	27	41	45
Non-Federal sources ¹	15	4	-----
Total financing.....	43	45	45

¹ Reimbursements from non-Federal sources are derived from proceeds from the sale of exhibit commodities (5 U.S.C. Supp. III 577) and proceeds from the sale of personal property being replaced (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions.....	17	25	29
12 Personnel benefits.....	2	5	5
21 Travel and transportation of persons.....	-----	1	1
25 Other services.....	8	-----	-----
Services of other agencies.....	2	10	10
26 Supplies and materials.....	7	-----	-----
31 Equipment.....	8	4	-----
Total obligations.....	43	45	45

Personnel Summary

Total number of permanent positions.....	1	2	2
Average number of all employees.....	2	2	2
Number of employees at end of year.....	1	2	2
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$8,434	\$8,652	\$8,596

COMMODITY EXCHANGE AUTHORITY

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), **[\$1,022,000]** \$1,095,000. (*Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Licensing and auditing of brokerage houses.....	247	268	278
2. Supervision of futures trading.....	559	581	596
3. Investigations.....	199	214	221
Total program costs, funded ¹	1,004	1,063	1,095
Change in selected resources ²	2		
Total obligations.....	1,006	1,063	1,095
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	1,007	1,063	1,095
New obligational authority:			
Appropriation.....	1,007	1,022	1,095
Proposed transfer from "Reimbursement to Commodity Credit Corporation for costs of special milk program," due to pay increases.....		41	

¹ Includes capital outlay as follows: 1962, \$9 thousand; 1963, \$1 thousand; 1964, \$1 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$3 thousand (1962 adjustments, -\$1 thousand); 1962, \$4 thousand; 1963, \$4 thousand; 1964, \$4 thousand.

The major objectives of the Commodity Exchange Authority are to maintain fair and competitive pricing in the commodity futures markets by preventing manipulation and other abusive trading practices. Enforcement of the Commodity Exchange Act requires supervision over futures trading in 18 commodities on 17 exchanges currently designated as contract markets. Transactions on contract markets were estimated at 9,900,000 in 1962, compared with 11,500,000 in the 1961 fiscal year. The average of month-end open contracts in all commodities was approximately 179,000 in 1962, compared with approximately 134,000 in 1961, a continuation of the long-term rising trend in the utilization of futures markets.

1. *Licensing and auditing of brokerage houses.*—This consists of (a) prevention of the misuse of customers' funds by the analysis of financial statements of futures commission merchants and the periodic audits of their books and records; and (b) annual registration of futures commission merchants and floor brokers.

AUDITS AND REGISTRATIONS

	1962 actual	1963 estimate	1964 estimate
Audit of customers' segregated funds.....	541	560	560
Accounts examined.....	44,716	44,700	44,200
Financial statements examined.....	452	500	475
Futures commission merchants registered.....	452	460	460
Floor brokers registered.....	765	775	775

2. *Supervision of futures trading.*—This embraces (a) examination and analysis of reports and other market data, the making of market position surveys, and publication of reports on market situations; (b) establishment, review, and enforcement of speculative limits; and (c) cooperative

activities with control committees of contract markets. In 1962, position surveys covered 6,307 traders.

REPORTS TABULATED AND ANALYZED

	1962 actual	1963 estimate	1964 estimate
Daily trading volume and open contracts.....	208,044	225,000	225,000
Daily and weekly reports on large traders.....	403,603	450,000	450,000
Delivery notices.....	67,159	75,000	75,000

3. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings. Exchange rules and regulations are reviewed to insure that legal requirements are met.

INVESTIGATIONS AND PROCEEDINGS

	1962 actual	1963 estimate	1964 estimate
Compliance investigations completed.....	54	50	50
Trade practice investigations completed.....	2	3	3
Administrative proceedings instituted.....	7	7	7
Criminal prosecutions instituted.....	0	1	0

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	848	915	941
Other personnel compensation.....	1	1	7
Total personnel compensation.....	849	916	948
12 Personnel benefits.....	64	69	71
21 Travel and transportation of persons.....	18	14	14
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	31	31	31
24 Printing and reproduction.....	12	11	11
25 Other services.....	7	7	7
Services of other agencies.....	3	5	3
26 Supplies and materials.....	8	8	8
31 Equipment.....	13	1	1
Total obligations.....	1,006	1,063	1,095

Personnel Summary

Total number of permanent positions.....	130	130	128
Average number of all employees.....	125	126	125
Number of employees at end of year.....	127	125	124
Average GS grade.....	7.3	7.5	7.4
Average GS salary.....	\$6,724	\$7,168	\$7,234

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

General and special funds:

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590o, 590p (a), and 590q; 76 Stat. 606-607) as added by section 132 of the Act of August 8, 1961; [and] subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816) [, \$95,423,000]; and laws pertaining to the Commodity Credit Corporation, \$114,944,000: *Provided, That, in addition, not to exceed [\$51,379,500] \$97,110,000 may be transferred to and merged with this appropriation from the*

Commodity Credit Corporation fund [], and additional amounts not to exceed \$30,000,000, may be transferred contingent upon the enactment of H.R. 12391, Food and Agriculture Act of 1962 [] (including not to exceed \$42,276,000 under the limitation on Commodity Credit Corporation administrative expenses): Provided further, That other funds made available to Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation. (7 U.S.C. 442-445, 624, 1100 et seq., 1282, 1301, 1385, 1388, 1391c, 1392, 1421-1432, 1441-1449, 1691-1697, 1701-1709, 1721-1724, 1731-1736, 1741-1747, 1808, 1813, 1851-1854, 1856-1857, 1859-1860; 15 U.S.C. 712a, 713a-10, 714-714p; 22 U.S.C. 1922; 31 U.S.C. 841, 846-852, 866-868c, 869; 50 U.S.C. App. 1917; 71 Stat. 290; 76 Stat. 20-21, 64, 70, 135, 151, 156-167, 169-170, 218, 434, 605-632, 696-697, 909, 910, 947; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Formulation, appraisal, audit and investigation.....	8,543	8,793	9,062
2. Operation of supply adjustment, conservation, and price support programs ¹	185,435	185,124	177,991
3. Inventory management and merchandising.....	1,793	2,714	39,413
Total program costs, funded ¹	195,771	196,631	226,466
Change in selected resources ²	-783		
Total obligations.....	194,988	196,631	226,466
Financing:			
Comparative transfers from other accounts (-).....	-106,004		
Advances and reimbursements from (-) —			
Commodity Credit Corporation fund.....	-77,093	-83,028	-94,038
Emergency preparedness functions.....			-1,244
Other accounts.....	-13,177	-18,258	-15,936
Non-Federal sources ³			-304
Unobligated balance lapsing.....	1,286		
New obligational authority.....		95,345	114,944
New obligational authority:			
Appropriation.....		95,423	114,944
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (-).....		-79	
Appropriation (adjusted).....		95,345	114,944

¹ Includes capital outlay as follows: 1962, \$264 thousand; 1963, \$264 thousand; 1964, \$264 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962	1963	1964
Stores.....	84	52	52	52
Unpaid undelivered orders.....	2,566	1,815	1,815	1,815
Total selected resources.....	2,650	1,867	1,867	1,867

³ From proceeds of sale from aerial photographs (7 U.S.C. 1387).

This is an appropriation account to cover expenses of programs administered by, and functions assigned to, the Agricultural Stabilization and Conservation Service. The funds in this account, which include transfers from the Commodity Credit Corporation and miscellaneous advances from other sources, are available for operating expenses at the National, Commodity office, State, and county levels.

The Commodity offices and the data processing center in Kansas City play an important role in administering price support programs and the field operations stemming from producer loan and purchase agreements, inventory management and merchandising activities.

The ASC State committees, appointed pursuant to the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, are in general administrative charge of all programs carried out in their respective States. Within the framework of national policy, the State committees determine policies to be followed and direct the adaptation of the national programs to the State.

The ASC county committees are responsible for the local administration of programs and functions dealing directly with farmers. The elected county committee is in charge of the county office.

The programs and activities carried out by the Agricultural Stabilization and Conservation Service include: acreage allotments and marketing quotas; agricultural conservation program; conservation reserve program; special programs for feed grains and wheat; Sugar Act program; land use adjustment program; storage, wool, and price support programs.

1. *Formulation, appraisal, audit and investigation.*—The supply adjustment, conservation, and price support programs and the management and merchandising of commodities acquired under the price support program have a tremendous impact on the national and, to a lesser extent, the international economy. This activity provides for constant review of the effectiveness of these programs and the analysis of data to formulate even more effective programs. The work includes the audit and investigation of these programs at all operating levels, including about 3,000 county offices.

2. *Operation of supply adjustment, conservation, and price support programs.*—Includes (a) development of program regulations and procedures, (b) holding meetings with employees and producers to discuss new programs or changes in programs, (c) collecting and compiling basic data for individual farms, (d) establishing individual farm allotments, (e) establishing proportionate shares for sugar farms, when necessary, (f) notifying producers of allotments, proportionate shares, productivity indexes, and payment rates, (g) determining farm marketing allocations, (h) handling appeals, (i) determining county normal yields, (j) conducting referendums and certifying results, (k) checking compliance and use of diverted acres, including spot checking, (l) developing pooling agreements under which several farmers in a community unite to solve a common conservation problem which cannot be solved by individual action, (m) issuing marketing cards so that production from the allotted acreage of crops can be marketed without penalty, and (n) processing producer requests for conservation cost sharing.

3. *Inventory management and merchandising.*—Includes (a) overall management of CCC-owned commodities including inspection of commercial storage facilities and stored commodities, (b) selling commodities, (c) donating CCC-owned commodities, and (d) accounting for loans and commodities. The value of the commodities is currently estimated at about \$5 billion. The increase in 1964 results from including CCC administrative expenses for the first time in this account.

To illustrate the volume of work, there are set forth below items of work for some of the major programs which were performed in fiscal year 1962. It is assumed that work will be at about the same level in fiscal year 1963.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued

General and special funds—Continued

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued

ACREAGE ALLOTMENT AND MARKETING QUOTA PROGRAM

	Number of allotments	Allotted acreage	Counties in program
Tobacco.....	571,378	1,235,510	935
Peanuts.....	105,823	1,612,577	508
Wheat.....	1,646,412	54,933,716	2,620
Cotton.....	935,867	18,202,011	1,092
Rice.....	15,016	1,817,256	157

AGRICULTURAL CONSERVATION PROGRAM

Number of payees.....	1,235,817
Total number of farms.....	4,973,484
Number of participating farms.....	1,204,500
Number of counties in program.....	3,070

CONSERVATION RESERVE PROGRAM

Number of farms having contracts.....	301,543
Number of acres in program.....	28,389,695
Number of counties in program.....	2,872

FEED GRAIN PROGRAM (CORN, GRAIN SORGHUMS, AND BARLEY)

Number of farms with base acreage.....	3,182,269
Number of farms signed up.....	1,341,601
Number of intended diverted acres.....	32,684,300

WHEAT STABILIZATION PROGRAM

Number of farms with base acreage.....	1,811,066
Number of farms signed up.....	821,845
Number of intended diverted acres.....	15,065,300

PRICE SUPPORT PROGRAM

Number of warehouse-stored loans.....	426,402
Number of farm-stored loans.....	385,651
Number of reinspections of farm-stored commodities.....	1,263,894
Number of loans and purchase agreements under which CCC acquired the commodity.....	593,726
Number of repayments.....	223,596

SUGAR ACT PROGRAM

Estimated number of farms.....	42,703
Number of counties.....	287
Estimated planted acreage.....	2,247,830

GRAIN STORAGE STRUCTURES PROGRAM

Number of storage structure sites.....	3,821
Number of storage structures (bins).....	236,910

NATIONAL WOOL ACT PAYMENT PROGRAM

Number of applications for payment.....	445,840
Number of assignments.....	14,652

As authorized by the Food and Agriculture Act of 1962, the Commodity Credit Corporation will advance capital funds to the Agricultural Stabilization and Conservation Service for necessary expenses to carry out the 1963 special agricultural conservation (feed grain) and 1963 and 1964 wheat stabilization programs during the period ending June 30, 1963. The work required to complete the programs in fiscal year 1964 will be financed by appropriated funds.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	18,355	21,614	50,952
Positions other than permanent.....	1,231	1,452	3,275
Other personnel compensation.....	108	105	1,213
Total personnel compensation.....	19,694	23,171	55,440
12 Personnel benefits.....	1,437	1,695	4,502
21 Travel and transportation of persons.....	3,463	3,922	4,352
22 Transportation of things.....	596	320	679
23 Rents, communications, and utilities.....	3,527	4,093	5,363
24 Printing and reproduction.....	899	1,241	1,937
25 Other services.....	785	935	1,384
Services of other agencies.....	229	139	764
26 Supplies and materials.....	2,018	2,552	2,655
31 Equipment.....	2,361	845	821
41 Grants, subsidies, and contributions.....	159,181	157,420	148,346
44 Refunds.....	535		
Total obligations—Agricultural Stabili- zation and Conservation Service.....	194,725	196,333	226,243
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	194	233	173
Positions other than permanent.....	2	3	3
Other personnel compensation.....			1
Total personnel compensation.....	196	236	177
12 Personnel benefits.....	17	18	15
21 Travel and transportation of persons.....	23	23	21
22 Transportation of things.....	2	1	1
23 Rent, communications, and utilities.....	5	5	4
25 Other services.....	3	2	2
26 Supplies and materials.....	2	2	1
31 Equipment.....	1	2	2
41 Grants, subsidies, and contributions.....	14	9	3
Total, allotment accounts.....	263	298	22
Total obligations.....	194,988	196,631	226,466
Obligations are distributed as follows:			
Agricultural Stabilization and Conservation Service.....	194,725	196,333	226,243
Forest Service.....	186	171	148
Office of the General Counsel.....	77	127	75

Personnel Summary

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
Total number of permanent positions.....	2,915	3,245	7,669
Full-time equivalent of other positions.....	197	230	484
Average number of all employees.....	2,912	3,310	7,912
Number of employees at end of year.....	3,120	3,163	7,839
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$6,245	\$6,683	\$6,767
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	25	27	23
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	25	29	21
Number of employees at end of year.....	17	19	15
Average GS grade.....	7.6	7.9	7.9
Average GS salary.....	\$6,769	\$7,388	\$7,654

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), [\$77,650,000] \$80,000,000, to remain available until June 30 of the next succeeding fiscal year. (76 Stat. 156-167, 169-170; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Payments to sugar producers:			
(a) Continental beet area.....	42,306	43,182	44,985
(b) Continental cane area.....	10,860	13,074	9,606
(c) Offshore cane area.....	22,589	21,394	25,409
Total program costs, funded—obligations (object class 41).....	75,755	77,650	80,000
Financing:			
Comparative transfers to other accounts.....	2,245	-----	-----
New obligational authority (appropriation)	78,000	77,650	80,000

Total U.S. requirements and quotas are determined to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry, and to promote the export trade of the United States. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing, and restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

Recent legislative changes in the Sugar Act increased quotas for domestic producing areas, established specific foreign quotas, plus a global quota on which the premium over world prices paid to foreign suppliers was reduced.

Payments are made to domestic producers of cane and beets (a) for compliance with specified conditions of employment, production and price; and (b) for abandonment of planted acreage and crop deficiencies on harvested acreage due to natural calamities.

The increase of \$2.3 million as proposed for 1964 is due principally to increased conditional payments to sugar producers. If later production estimates confirm current forecasts, consideration may need to be given to a supplemental estimate for 1964.

Estimated production by areas is shown in the following table:

THOUSANDS OF SHORT TONS, RAW VALUE

Area	1961 crop year	1962 crop year	1963 crop year
Continental beet area.....	2,425	2,650	2,900
Continental cane area.....	858	1,000	1,000
Hawaii.....	1,092	1,100	1,150
Puerto Rico.....	1,010	1,200	1,200
Virgin Islands.....	17	11	15
Total.....	5,402	5,961	6,265

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [\$212,900,000] \$220,000,000, to remain available

until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, [1961] 1962 and [1962] 1963, carried out during the period July 1, [1960] 1961, to December 31, [1962] 1963, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: [Provided further, That no portion of the funds for the 1963 program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956:] *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the [1963] 1964 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to [\$250,000,000] \$150,000,000, including administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the [1963] 1964 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the [1963] 1964 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (76 Stat. 605-607, 612-614, 631, 696-697; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Direct program:			
1. Cost-sharing assistance to farmers.....	183,543	170,800	170,000
2. Repayment of loans from Commodity Credit Corporation.....	30,201	42,100	50,000
3. Adjustment of prior year costs.....	-80	-----	-----
Total direct program costs, funded ¹	213,664	212,900	220,000
Change in selected resources ²	36	-----	-----
Total direct obligations.....	213,700	212,900	220,000
Reimbursable program:			
1. Cost-sharing assistance to farmers.....	50,444	50,444	38,000
Total obligations.....	264,144	263,344	258,000

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued

General and special funds—Continued

AGRICULTURAL CONSERVATION PROGRAM—Continued

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing:			
Comparative transfers to other accounts.....	28,999	-----	-----
Unobligated balance brought forward(—).....	—4,701	-----	-----
Advances and reimbursements from (—).....			
Commodity Credit Corporation (loan).....	—50,000	—50,000	—38,000
Other accounts.....	—140	—140	-----
Non-Federal sources ³	—304	—304	-----
Unobligated balance lapsing.....	2	-----	-----
New obligational authority (appropriation)	238,000	212,900	220,000

¹ Includes capital outlay as follows: 1962, \$7 thousand; 1963, \$3 thousand; 1964, \$3 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Stores.....	73	---	45	45	45
Unpaid undelivered orders.....	311	—80	295	295	295
Total selected resources.....	384	—80	340	340	340

³ Reimbursements from non-Federal sources above are from proceeds of sale of aerial photographs (7 U.S.C. 1387).

This program is designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil-building and soil- and water-conserving practices, including related wildlife-conserving practices, which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing which may be given in the form of conservation materials and services or a payment after completion of the practice, averages approximately 50% of the cost.

Conservation measures for which cost-sharing is offered include those which are primarily for (1) establishment of permanent protective cover, (2) improvement and protection of established vegetative cover, (3) conservation and disposal of water, (4) establishment of temporary vegetative cover, (5) temporary protection of soil from wind and water erosion, and (6) benefits to wildlife.

Under the 1961 program, new or additional practices were established on 1,216,556 farms and ranches, consisting of 182,000,000 acres of cropland and 433,000,000 acres of farmland. This compares with 1,029,279 farms and ranches, comprised of 152,000,000 acres of farmland on which practices were established under the 1960 program. The following practices, along with others, were installed under the 1961 program:¹

[In thousands]

Dams and reservoirs.....	structures.....	50
Standard terraces.....	acres.....	689
Diversion and spreader terraces.....	miles.....	.4
Permanent sod waterways.....	acres.....	44
Stripcropping.....	acres.....	467
Leveling land to conserve irrigation water and control erosion.....	acres.....	341
Drainage.....	acres.....	1,520
Tree planting.....	acres.....	336
Timber stand improvement.....	acres.....	256
Liming materials applied for soil conserving crops.....	tons.....	16,746
All vegetative cover.....	acres.....	16,055
Control of competitive shrubs on range or pasture.....	acres.....	2,209

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the agricultural stabilization and conservation State com-

¹ Preliminary estimates.

mittees to counties, and the agricultural stabilization and conservation county committees make commitments of conservation practice cost-sharing to eligible farmers and ranchers.

Loans from Commodity Credit Corporation are used to make advance payments to vendors for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

AMOUNTS REPAID OR ESTIMATED TO BE REPAID ON COMMODITY CREDIT CORPORATION LOANS

	[In thousands of dollars]			
	1962 actual	1963 estimate	1964 estimate	Total
Balance of 1961 loan.....	30,200	-----	-----	30,200
1962 loan.....	7,900	42,100	-----	50,000
1963 loan.....	-----	-----	50,000	50,000
Total.....	38,100	42,100	50,000	130,200
Interest.....	(210)	(471)	(525)	(706)

A level of \$150 million for the 1964 program is proposed, a reduction of \$100 million below the 1963 program. Payments for the 1964 program will be made from the 1965 appropriation.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	523	456	-----
Positions other than permanent.....	10	10	-----
Other personnel compensation.....	1	3	-----
Total personnel compensation.....	534	469	-----
12 Personnel benefits.....	41	38	-----
21 Travel and transportation of persons.....	13	17	-----
22 Transportation of things.....	6	33	-----
23 Rent, communications, and utilities.....	26	78	-----
24 Printing and reproduction.....	1	1	-----
25 Other services.....	302	346	-----
26 Supplies and materials.....	136	138	-----
31 Equipment.....	26	4	-----
41 Grants, subsidies, and contributions.....	212,615	211,776	220,000
Total, direct obligations.....	213,700	212,900	220,000
Reimbursable obligations:			
41 Grants, subsidies, and contributions.....	50,444	50,444	38,000
Total obligations.....	264,144	263,344	258,000

Personnel Summary

Total number of permanent positions.....	99	84	-----
Full-time equivalent of other positions.....	2	2	-----
Average number of all employees.....	97	81	-----
Number of employees at end of year.....	97	83	-----
Average GS grade.....	6.9	7.0	-----
Average GS salary.....	\$6,245	\$6,683	-----

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, [\$300,000,000] \$294,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on

annual payments to participants. (76 Stat. 135, 606; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Conservation reserve program (program costs, funded) ¹	322,502	301,127	294,000
Change in selected resources ²	-7	-100	-----
Total obligations.....	322,495	301,027	294,000
Financing:			
Comparative transfers to other accounts.....	11,254	-----	-----
Unobligated balance brought forward (-).....	-22,151	-402	-----
Recovery of prior year obligations (-).....	-----	-625	-----
Unobligated balance carried forward.....	402	-----	-----
New obligational authority (appropriation)	312,000	300,000	294,000

¹ Included capital outlay as follows: 1962, \$27 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962	1963	1964
Unpaid undelivered orders.....	62	51	-----	-----
Advances.....	45	49	-----	-----
Total selected resources.....	107	100	-----	-----

This program, initiated in 1956, has as its objectives (1) the adjustment of total crop acreage more nearly in line with demand by withdrawing cropland from production, and (2) establishment and maintenance of sound conservation practices on the land withdrawn. The Secretary was authorized, through calendar year 1960, to enter into 3- to 15-year contracts with producers. In return for removing designated cropland from production and for establishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period, and cost-sharing assistance for the establishment of the required practices. Total annual rental payments to a producer are limited to \$5 thousand. A supplemental appropriation for 1963 is anticipated for separate transmittal.

Participation in the program is summarized below:

Number of contracts, 1962 program.....	269,644
Number of acres, 1962 program.....	25,655,625
Payments made in program year 1961, estimated.....	\$332,673,108
Estimated payments to be made in program year 1962:	
To be paid from fiscal year 1963 appropriation.....	\$300,000,000
To be paid from other funds or deferred until fiscal year 1964.....	\$9,805,857

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
24 Printing and reproduction.....	10	25	-----
41 Grants, subsidies, and contributions.....	322,476	300,961	294,000
Total, Agricultural Stabilization and Conservation Service.....	322,486	300,986	294,000
ALLOTMENT TO FOREST SERVICE			
41 Grants, subsidies, and contributions.....	9	41	-----
Total obligations.....	322,495	301,027	294,000

Proposed for separate transmittal:

CONSERVATION RESERVE PROGRAM

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Conservation reserve program (costs—obligations).....	-----	5,000	-----
Financing:			
New obligational authority (proposed supplemental appropriations).....	-----	5,000	-----

Under existing legislation, 1963.—A proposed supplemental of \$5 million is anticipated to provide funds for making conservation reserve payments in accordance with existing contracts with producers.

EMERGENCY CONSERVATION MEASURES

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (costs—obligations) (object class 41).....	8,516	9,519	-----
Financing:			
Unobligated balance brought forward (-).....	-11,738	-9,188	-----
Recovery of prior year obligations (-).....	-967	-331	-----
Unobligated balance carried forward.....	9,188	-----	-----
New obligational authority (appropriation)	5,000	-----	-----

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farm lands damaged by natural disasters.

Legislation provides that assistance will be made available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

Funds for emergency cost-sharing assistance are distributed among States on the basis of needs for restoration of damaged lands.

LAND-USE ADJUSTMENT PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended by the Act of September 27, 1962 (76 Stat. 606), \$27,000,000, to remain available until expended.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued

General and special funds—Continued

LAND-USE ADJUSTMENT PROGRAM—Continued

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Cost-sharing and technical assistance (costs—obligations) (object class 41)-----			27,000
Financing:			
New obligatory authority (appropriation)-----			27,000

This program provides for long-range agreements with farm and ranch owners and operators to make changes in their cropping systems and land-uses to (1) change permanently to better productive use cropland that is not well suited for crop use, and (2) temporarily shift to better productive use land that is suitable for crop use but not currently needed for crops.

The agreements provide for payments, the furnishing of materials and services, and other assistance to farmers in consideration of their obligations to change the land use and to install and maintain conservation practices. The agreements are limited to a maximum of 10 years, except that those providing for tree cover may not provide for annual payments for more than 5 years.

The legislation limits the assistance to farmers to \$10 million for any calendar year. In addition, it provides for extension of expiring contracts under the conservation reserve program, but limits assistance to farmers for this purpose to calendar year 1963 and to not more than \$15 million. A supplemental appropriation for 1963 is anticipated for separate transmittal.

Proposed for separate transmittal:

LAND-USE ADJUSTMENT PROGRAM

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Cost-sharing and technical assistance (costs—obligations)-----		6,000	
Financing:			
New obligatory authority (proposed supplemental appropriation)-----		6,000	

Under existing legislation, 1963.—The proposed supplemental appropriation is to initiate cost-sharing and technical assistance to producers under long-term agreements to conserve and develop soil, water, forest, wildlife, and recreation resources.

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Financing:			
Comparative transfers to other accounts-----	44,007		
Unobligated balance lapsing-----	91		
New obligatory authority (appropriation)	44,098		

SPECIAL AGRICULTURAL CONSERVATION AND ADJUSTMENT PROGRAMS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Financing:			
Comparative transfers to other accounts-----	16,000		
Unobligated balance lapsing-----	2,500		
New obligatory authority (appropriation)	18,500		

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SECTION 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Note.—Obligations for administrative expenses of the ASCS National and State offices incurred from several appropriations previously advanced to this account are shown in the schedule Expenses, Agricultural Stabilization and Conservation Service.

LOCAL ADMINISTRATION, SECTION 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

Note.—Obligations for the expenses of the agricultural stabilization and conservation committees incurred from several appropriations previously advanced to this account are shown in the schedule Expenses, Agricultural Stabilization and Conservation Service.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities thereunder and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to 1962, the Corporation was reimbursed for the costs of these activities by direct appropriations subsequent to incurrence of the costs. Beginning in 1962, the Congress appropriated funds for estimated costs of these activities on a pay-as-you-go basis. Advances are made to the Corporation each month for estimated costs incurred. Subsequent requests will include funds for each ensuing year on the same basis as for other programs of the Department.

Although the appropriations are made in a specified amount for these programs, the Congress has recognized the fact that the appropriation is not fully controlling since authority under basic law permits the Government to enter into agreements and commit the Government to expenditures which must be financed from subsequent appropriations. If the amounts appropriated prove to be inadequate, the Commodity Credit Corporation will still finance authorized costs which may be in excess of the appropriations provided and subsequent appropriations would include such additional amounts used. On the other hand, any unused appropriations, which remain available until expended, will be used to reduce the subsequent appropriation requests for these programs.

Activities are currently being carried out under these programs pursuant to the following specific authorizations:

Public Law 480: Sale of surplus agricultural commodities for foreign currencies (title I); Commodities disposed of for emergency famine relief to friendly peoples (title II); Long-term supply contracts (title IV).

International Wheat Agreement Act.

Bartered materials for supplemental stockpile (Agricultural Act of 1956, title II).

General and special funds:

PUBLIC LAW 480

For expenses during fiscal year [1963] 1964, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1721-1724, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, [\$1,080,632,000] \$1,960,172,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, [\$250,000,000] \$215,451,000; and (3) long-term supply contracts pursuant to title IV of said Act, [\$40,000,000] \$79,000,000. (76 Stat. 610-611; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Sale of surplus agricultural commodities for foreign currencies.....	1,250,451	1,080,632	1,960,172
2. Commodities disposed of for emergency famine relief to friendly peoples.....	140,868	219,451	246,000
3. Long-term supply contracts.....	7,000	46,000	79,000
Total program costs, funded—obligations (object class 41).....	1,398,319	1,346,083	2,285,172
Financing:			
Unobligated balance brought forward (—).....	-----	—6,000	—30,549
Unobligated balance carried forward.....	6,000	30,549	-----
New obligational authority (appropriation).....	1,404,319	1,370,632	2,254,623

1. *Sale of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1701-1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment, facilities, and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes.

If regular appropriations are available for any unrestricted purpose for which foreign currencies are used, the agency must buy the currency for dollars which are credited to the Commodity Credit Corporation. Special appropriations have been made for uses of foreign currencies in excess of amounts needed for regular operations or where use of currencies is restricted by international agreement or understanding. As these currencies are used, the Corporation will receive reimbursement therefor from these appropriations. The budget estimate proposes the application in 1964 of such proceeds from sales of foreign currencies to the reduction of unrecovered prior years' costs rather than to the reduction of the appropriation request. The Budget estimate proposes, in addition, that dollar repayments received by Commodity Credit Corporation in fiscal year 1963 of foreign currency loans made under section 104 of the Agricultural Trade Development and Assistance Act be applied to the reduction of unrecovered prior years' costs.

Section 509 of Public Law 86-500, approved June 8, 1960 (74 Stat. 186), provides that at least 75% of the total cost of any family housing project or community facility hereafter constructed or acquired in any foreign country (with certain specific exceptions) by any military department shall be paid for from foreign currencies acquired by the Corporation under title I. The Department of Defense reimburses the Corporation for foreign currencies

used for military family housing from quarters allowances and net rental receipts from such housing.

Through June 30, 1962, a total of 310 agreements, or supplements to agreements, had been signed with 44 countries for commodities representing an export market value of \$8,115.6 million including ocean transportation of \$895.8 million. The major commodities included were wheat, cotton, and fats and oils which together amounted to 73% of the total market value of the agreements. Through that date commodities with an export market value of about \$5,578.7 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1962, amounted to \$5,775.9 million.

Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program. Through December 31, 1961, a total of \$11.25 billion was so authorized.

Public Law 87-128, approved August 8, 1961, provides a limitation of \$4.5 billion for a 3-year period January 1, 1962, through December 31, 1964, and a proviso limiting to \$2.5 billion that amount that may be appropriated in any calendar year to reimburse the Commodity Credit Corporation.

The following reflects the composition of the appropriations for fiscal years 1962, 1963, and 1964.

[In thousands of dollars]			
	1962 actual	1963 estimate	1964 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks.....	386,605	351,405	344,295
Private stocks and ocean transportation....	1,201,415	1,102,595	1,087,705
Total expenses of shipments.....	1,588,020	1,454,000	1,432,000
Interest expense on unrecovered balance.....	18,071	20,800	20,000
Total expenses.....	1,606,091	1,474,800	1,452,000
Recoveries from sales of currencies, rental receipts and loan repayments.....	—151,339	—262,500	-----
Subtotal.....	1,454,752	1,212,300	1,452,000
Change in currencies to be sold for dollars in future years.....	—50,000	42,500	-----
Net expenses—current year's costs recoverable from appropriations.....	1,404,752	1,254,800	1,452,000
Unrecovered prior year costs financed by CCC borrowing authority:			
1961.....	-----	179,703	-----
1962.....	—154,301	154,301	-----
1963.....	-----	—308,172	508,172
Appropriation or estimate.....	1,250,451	1,080,632	1,960,172

The following table reflects the net costs incurred by fiscal years (in thousands of dollars):

	Program expenditures	Interest	Total
1955.....	129,165	355	129,520
1956.....	616,964	7,263	624,227
1957.....	1,361,973	34,400	1,396,373
1958.....	1,089,008	55,710	1,144,718
1959.....	1,089,071	24,183	1,113,254
1960.....	1,279,581	28,388	1,307,969
1961.....	1,513,472	43,843	1,557,315
1962.....	1,588,020	18,071	1,606,091
1963 (estimate).....	1,454,000	20,800	1,474,800
1964 (estimate).....	1,432,000	20,000	1,452,000
Cumulative totals.....	11,553,254	253,013	11,806,267
Deduct sales of currencies, rental collections from Defense Department and loan repayments.....	993,163	-----	993,163
Net costs.....	10,560,091	253,013	10,813,104
Appropriations through June 30, 1964.....	-----	-----	10,522,104
Unreimbursed costs, June 30, 1964, representing foreign currencies to be sold in future years and amounts due from rental receipts (financed by CCC borrowing authority).....	-----	-----	291,000

FOREIGN ASSISTANCE PROGRAMS—Continued

General and special funds—Continued

PUBLIC LAW 480—Continued

2. *Commodities disposed of for emergency famine relief to friendly peoples.*—Under title II of the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, as amended (7 U.S.C. 1703, 1721–1724), the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available to the President for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and pays ocean freight charges for the shipment of donated commodities.

Public Law 86–472, enacted May 14, 1960, authorized payment of transportation to point of entry of landlocked countries and general average contributions arising out of ocean transport of commodities transferred under title II. Public Law 87–92, approved July 20, 1961, continued the authority of the President under section 202, title II, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world.

Under this program, the Corporation will also transfer surplus agricultural commodities from its stocks and finance ocean freight charges to carry out participation of the United States in the 3-year experimental World Food Program established by resolutions of the General Assembly and of the Food and Agriculture Organization of the United Nations.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program. Through December 31, 1959, a total of \$800 million was authorized. From January 1, 1960, \$300 million per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization, making a total of \$1.4 billion.

Public Law 87–128, approved August 8, 1961, amended section 203 of title II limiting to \$300 million, plus any unused preceding year's authorization, the appropriations to reimburse Commodity Credit Corporation (including Commodity Credit Corporation's investment in commodities made available) which can be made in any calendar year beginning January 1, 1961, and ending December 31, 1964, and extending to December 31, 1964, the programs of assistance which may be undertaken under this title.

The following reflects the composition of the appropriations for 1962, 1963, and 1964.

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks.....	172,265	117,597	149,846
Ocean transportation on above and also on sec. 416 donations.....	69,674	77,013	96,154
Total expenses of shipments.....	241,939	194,610	246,000
Interest expense on unrecovered balance.....		390	
Total expenses—current year's costs recoverable from appropriations.....	241,939	195,000	246,000
Unobligated balance available:			
1961.....	—76,620		
1963.....		30,549	—30,549
Unrecovered 1962 costs financed by CCC borrowing authority.....	—24,451	24,451	
Appropriation or estimate.....	140,868	250,000	215,451

The following reflects the costs incurred in carrying out this program by fiscal years (in thousands of dollars):

	Program expenditures	Interest	Total
1955.....	86,623	273	86,896
1956.....	91,277	2,308	93,585
1957.....	120,430	4,461	124,891
1958.....	116,001	5,445	121,446
1959.....	95,511	2,417	97,928
1960.....	93,161	2,339	95,500
1961.....	196,109	2,456	198,565
1962.....	241,939		241,939
1963 (estimate).....	194,610	390	195,000
1964 (estimate).....	246,000		246,000
Cumulative totals.....	1,481,661	20,089	1,501,750

3. *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (7 U.S.C. Supp. 1, 1731–1736), the President, in order to stimulate and increase sales for dollars, is authorized to make agreements with friendly nations, including financial institutions, or with the private trade under which the United States would deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

During 1962, a total of 9 agreements or amendments to agreements were signed with 6 countries for commodities representing an export market value of \$57 million, including ocean transportation.

The following reflects the composition of the appropriations for 1962, 1963, and 1964:

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks.....	6,421	38,038	52,788
Private stocks and ocean transportation.....	22,534	209,950	245,624
Total expenses of shipments.....	28,955	247,988	298,412
Interest expense on unrecovered balance.....	17	1,000	4,000
Total expenses.....	28,972	248,988	302,412
Repayments from foreign governments including interest.....		—1,500	—14,500
Change in amounts due from foreign governments (financed by CCC).....	—19,377	—191,568	—221,427
Net expenses—current year's costs recoverable from appropriations.....	9,595	55,920	66,485
Unpaid obligations carried forward.....	—2,595	2,595	
Unobligated balance available, 1962.....	6,000	—6,000	
Unrecovered 1963 costs financed by CCC borrowing authority.....		—12,515	12,515
Appropriation or estimate.....	13,000	40,000	79,000

The following table reflects the net costs incurred by fiscal years (in thousands of dollars):

	Program expenditures	Interest	Total
1962.....	28,955	17	28,972
1963 (estimate).....	247,988	1,000	248,988
1964 (estimate).....	298,412	4,000	302,412
Cumulative totals.....	575,355	5,017	580,372
Deduct recoveries from foreign governments.....	15,200	800	16,000
Net costs.....	560,155	4,217	564,372
Appropriations through June 30, 1964.....			132,000
Unreimbursed costs, June 30, 1964, representing amounts due from foreign governments (financed by CCC borrowing authority).....			432,372

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year [1963] 1964 and unrecovered prior years' [cost] costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), [\$81,218,000] \$92,356,000, to remain available until expended. (76 Stat. 434; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
International Wheat Agreement (cost—obligations) (object class 41)-----	70,681	81,218	92,356
Financing:			
New obligational authority (appropriation)---	70,681	81,218	92,356

The International Wheat Agreement Act, as amended (7 U.S.C. 1641-1642), which was renewed for a period of 3 years effective August 1, 1962, operates to provide an assured market for wheat to exporting countries at stable and equitable prices. The maximum and minimum prices in the 1962 agreement are \$2.02½ and \$1.62½ per bushel, respectively, for the basic grade of wheat, No. 1, Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1949. The total quantity traded under the agreement in the 1961-1962 crop year represented about 39% of world trade in wheat, yet the 10 exporting member countries export inside and outside the agreement over 97% of all wheat moving in world trade.

The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the domestic market price. A cash payment for this differential is made for flour.

The following reflects the composition of the appropriations for 1962, 1963, and 1964:

(In thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks-----	71,712	61,503	57,110
Private stocks and other costs-----	18,246	15,697	14,590
Total expenses of shipments-----	89,958	77,200	71,700
Interest expense on unrecovered balance-----	92	349	-----
Total expenses—current year's costs recoverable from appropriation-----	90,050	77,549	71,700
Unrecovered prior year costs financed by CCC borrowing authority:			
1961-----	-----	4,956	-----
1962-----	-19,369	19,369	-----
1963-----	-----	-20,656	20,656
Appropriation or estimate-----	70,681	81,218	92,356

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

For expenses during fiscal year [1963] 1964 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public

Law 540, Eighty-fourth Congress (7 U.S.C. 1856), [\$125,000,000] \$82,860,000, to remain available until expended. (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Bartered materials for supplemental stockpile (cost—obligations) (object class 41)---	125,000	125,000	82,860
Financing:			
New obligational authority (appropriation)---	125,000	125,000	82,860

Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred to the stockpile at the lower of cost or market value at the time of the transfer.

The following reflects the composition of the appropriations for 1962, 1963, and 1964:

(In thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Materials transferred to supplemental stockpile-----	193,294	85,500	61,500
Unobligated balance available—1961-----	-7,434	-----	-----
Unrecovered prior year costs financed by CCC borrowing authority:			
1962-----	-60,860	60,860	-----
1963-----	-----	-21,360	21,360
Appropriation or estimate-----	125,000	125,000	82,860

COMMODITY CREDIT CORPORATION

General and special funds:

REIMBURSEMENT FOR NET REALIZED LOSSES

To [partially] reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending June 30, [1961] 1962, pursuant to the Act of August 17, 1961 ([75 Stat. 391], \$2,278,455,000) 15 U.S.C. 713a-11, 713a-12), \$2,799,400,000. (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

[REIMBURSEMENT FOR SPECIAL MILK PROGRAM]

[To reimburse the Commodity Credit Corporation for amounts advanced for the fiscal year beginning July 1, 1961, for the special milk program for children pursuant to the Act of July 1, 1958, as amended (7 U.S.C. 1446; 75 Stat. 147-148, 319), \$95,000,000.] (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

(Permanent, indefinite)

Public enterprise funds:

Note.—Expenditures from the following fund for 1963 are subject to the first paragraph of title III of the Department of Agriculture and Related Agencies Appropriation Act, 1963. For 1964 this paragraph is shown in the Department of Agriculture chapter, p. 145, preceding Federal Crop Insurance Corporation fund.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Program by activities:			
Operating costs, funded:			
1. Price support, export, supply, and related programs:			
(a) Cost of commodities sold.....	2,760,012	2,166,228	2,379,740
(b) Cost of commodities donated.....	481,268	662,317	724,964
(c) Storage, transportation and other costs not included above.....	587,950	551,975	500,734
(d) Export payments.....	244,180	269,667	293,010
(e) Price support payments.....			581,000
(f) Land retirement payments:			
(1) Feed grains.....	802,956	712,320	227,000
(2) Wheat.....	65,105	322,895	173,000
Subtotal.....	4,941,471	4,685,402	4,879,448
(g) Increase or decrease (—) in provision for losses on commodities for sale.....	—378,428	21,926	—8,371
Subtotal, price support, export, supply, and related programs.....	4,563,043	4,707,328	4,871,077
(h) Undistributed expense:			
(1) Administrative expense subject to limitation (excluding special milk).....	39,460	41,879	40,621
(2) Reimbursable administrative expenses.....	646	1,598	1,692
(3) Nonadministrative expense.....	44,322	45,953	15,924
(4) Interest:			
(A) Treasury.....	329,584	317,547	316,120
(B) Other.....	19,829	14,224	9,587
(5) Decrease (—) in provision for losses on accounts receivable.....	—5,340	—1,467	—1,500
Total undistributed expense.....	428,501	419,734	382,444
2. Special milk program: Payments and operating expenses.....	92,628		
Total operating costs, funded.....	5,084,172	5,127,062	5,253,521
Capital outlay:			
1. Price support, export, supply, and related programs:			
(a) Direct loans.....	464,907	472,318	386,578
(b) Guaranteed loans.....	2,196,753	2,294,575	1,886,854
(c) Purchases of storage equipment.....	294	500	500
(d) Purchases of administrative equipment.....	2,445	2,650	400
Total capital outlay.....	2,664,399	2,770,043	2,274,332
Total program costs, funded.....	7,748,571	7,897,105	7,527,853
Change in selected resources ¹	—426,269	—481,610	—171,899
Total price support, export, supply, and related programs and special milk (obligations).....	7,322,302	7,415,495	7,355,954

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
SPECIAL ACTIVITIES (see schedule)			
Operating costs, funded:			
1. Commodities transferred from price support program.....	830,644	654,262	665,784
2. Other operating costs:			
(a) Interest on balance recoverable.....	21,140	25,259	26,764
(b) Other program and operating costs.....	1,372,256	1,464,731	1,490,530
Total other operating costs.....	1,393,396	1,489,990	1,517,294
Total operating costs, funded (obligations).....	2,224,040	2,144,252	2,183,078
Capital outlay:			
Loans made for agricultural conservation purposes (obligations).....	50,000	50,000	38,000
Total special activities (obligations).....	2,274,040	2,194,252	2,221,078
Total obligations.....	9,596,342	9,609,747	9,577,032
PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Financing:			
New obligatory authority (appropriations):			
Restoration of capital impairment.....	1,017,610		
Reimbursement for net realized losses.....		2,278,455	2,799,400
Reimbursement for costs of special milk program.....	90,000	95,000	
Subtotal.....	1,107,610	2,373,455	2,799,400
Proposed supplemental transfer to other accounts (adjusted appropriation) (—).....		—2,617	
Total new obligatory authority (appropriations).....	1,107,610	2,370,838	2,799,400
Unobligated balances lapsing:			
Restoration of capital impairment.....	(²)		
Reimbursement for costs of special milk program.....	—3,500	—983	
New obligatory authority (net).....	1,104,110	2,369,855	2,799,400
Revenues and other receipts:			
1. Price support, export, supply, and related programs:			
(a) Loans repaid.....	898,341	1,069,704	880,552
(b) Loan collateral forfeited.....	1,017,965	1,835,586	1,926,059
(c) Revenue.....	2,540,734	2,299,613	2,562,845
2. Special milk program: Revenue (prior year adjustment).....	959	1,228	
3. Undistributed receipts:			
(a) Interest income.....	58,762	68,771	63,707
(b) Other.....	1,543	2,524	2,617
Total, revenues and other receipts.....	4,518,304	5,277,426	5,435,780
Total new obligatory authority, revenues and other receipts, price support, export, supply, and related programs and special milk.....	5,622,414	7,647,281	8,235,180
SPECIAL ACTIVITIES (see schedule)			
New obligatory authority: (appropriations):			
Reimbursement to Commodity Credit Corporation for costs of foreign assistance and other special activities.....	1,861,915		

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
SPECIAL ACTIVITIES—Continued			
New obligational authority—Continued			
Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefinite authorization)-----	75,278	69,165	69,000
Total appropriations-----	1,937,193	69,165	69,000
Unobligated balance returned-----		-32	
Total new obligational authority, net-----	1,937,193	69,133	69,000
Revenue and other receipts:			
Advances and reimbursements received from Foreign assistance programs-----	1,594,000	1,552,301	2,460,388
Other reimbursements received-----	151,374	264,290	184,565
Increase or decrease (—) in receivables, Foreign assistance programs-----	330,953	265,536	-511,276
Costs recoverable from other funds-----	312	179	180
Subtotal-----	2,076,639	2,082,306	2,133,857
Repayment of loans for agricultural conservation purposes-----	38,100	42,100	50,000
Total revenues and receipts-----	2,114,739	2,124,406	2,183,857
Total, special activities-----	4,051,932	2,193,539	2,252,857
Total obligational authority, revenues and other receipts-----	9,674,346	9,840,820	10,488,037
Unobligated balance brought forward (authorization to expend from public debt receipts) ³ -----	111,915	189,918	420,991
Unobligated balance carried forward (authorization to expend from public debt receipts)-----	-189,918	-420,991	-1,331,996
Financing applied to program-----	9,596,342	9,609,747	9,577,032

Note.—In addition to obligations other than liabilities reflected in the analysis of Government equity and undrawn authorizations the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

¹ Balances of selected resources are identified on the statement of financial condition.

² Less than \$500.

³ Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans held by banks. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans held by banks.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS SPECIAL MILK			
Obligations (from program and financing)-----	7,322,302	7,415,495	7,355,954
Increase (—) or decrease in gross unpaid obligations-----	-643,014	969,663	-161,367
Gross expenditures-----	6,679,288	8,385,158	7,194,587
Revenues and other receipts (from program and financing)-----	4,518,304	5,277,426	5,435,780
Increase (—) or decrease in accounts receivable-----	17,851	256,075	-49,300
Applicable receipts-----	4,536,155	5,533,501	5,386,480
Budget expenditures, price support, export, supply, and related programs and special milk-----	2,143,133	2,851,657	1,808,107

Summary of Sources and Application of Funds (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
SPECIAL ACTIVITIES (see schedule)			
Obligations (from program and financing)-----	2,274,040	2,194,252	2,221,078
Decrease in gross unpaid obligations-----	3,945	1,472	57,000
Gross expenditures-----	2,277,985	2,195,724	2,278,078
Revenues and other receipts (from program and financing)-----	2,114,739	2,124,406	2,183,857
Increase (—) or decrease in accounts receivable-----	-329,406	-262,664	515,130
Applicable receipts-----	1,785,333	1,861,742	2,698,987
Budget expenditures, special activities-----	492,652	333,982	-420,909
Total budget expenditures-----	2,635,785	3,185,639	1,387,198

Under its corporate charter (15 U.S.C. 714-714p), and specific statutes where applicable, the Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion.

Programs.—The budget is based on (1) price support, export, supply, and related programs and (2) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive and other payments, operating and interest expenses, and advances and current obligations incident to special activities as authorized by specific legislation.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 1963 and 1964 budget estimates: (a) employment, production, and national income will rise moderately both in 1963 and 1964 from the present level; (b) on the average, the general level of prices will be the same as or increase slightly over the present level; (c) developments in international relations will not be such as to affect Government civilian programs generally; (d) exports of agricultural commodities in the fiscal year 1964 will be at about current levels; (e) yields for the 1963 crops generally are based on recent averages adjusted for trend; and (f) acreage allotments and marketing quotas will be in effect for the 1963 crops of peanuts, rice, wheat, cotton, and certain kinds of tobacco. Compliance with provisions of the Food and Agriculture Act of 1962, the provisions of the 1962 and 1963 special agricultural conservation program for feed grains and the wheat stabilization programs should result in substantial acreage reductions in those commodities. The estimates for the feed grain and wheat stabilization programs assume diverted acreage based on probable signups by cooperators. However, the full impact of these programs

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

cannot be accurately predicted until the final returns of actual participation are received for these crops.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1964. They are dependent upon weather conditions and all other factors affecting volume of production of crops not yet planted in this country and abroad, economic conditions generally, food needs in this country and abroad, availability of dollar exchange, and other complex and unpredictable factors.

PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS

Price support.—Price-support operations are carried out under the Corporation's charter powers (15 U.S.C. 714) and in conformity with the Agricultural Act of 1949, as amended (7 U.S.C. 1421), and other applicable legislation including the Food and Agriculture Act of 1962, Public Law 87-703. Under the Agricultural Act of 1949, as amended, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat, barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, as amended (7 U.S.C. 1781-1787), through the marketing year ending March 31, 1966. Price support for other nonbasic agricultural commodities is discretionary except that whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, payments, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. Producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity he may elect within the maximum specified in the agreement. Direct purchases are made from producers and processors depending on the commodities involved. Under section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, purchases of animal fats and edible oils and products thereof are authorized as will tend to maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the usual loan and purchase agreements of the price-support program. Under section 416 of the Agricultural Act of 1949, as amended, price supported commodities in private stocks are made available for donation in order to prevent the waste thereof before such commodities can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive

world prices. The incentive payment program for wool and mohair is described under Special activities.

In all its price support operations, the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other financial institutions. Commercial storage facilities are used to a great extent in the storage of loan collateral and of stocks acquired by the Corporation.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, as amended, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended (7 U.S.C. 1691), title II of the Agricultural Act of 1956, as amended, the Agricultural Act of 1961, the act of August 19, 1958, in the case of cornmeal and wheat flour, Public Law 86-299 (7 U.S.C. 1427 note) along with Public Law 87-127, with respect to sale of livestock feed in emergency areas, and the Food and Agriculture Act of 1962.

Price-support commodities in Commodity Credit Corporation inventory which are disposed of through the commodity export program, redemption of payment-in-kind certificates, and special activities such as sales for foreign currencies are, for accounting purposes, credited to the price-support program.

DATA ON PRICE-SUPPORT PROGRAM

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Loans made.....	2,619,316	2,734,893	2,248,932
Loans repaid.....	880,354	1,049,964	859,052
Loan collateral forfeited.....	1,017,962	1,835,586	1,926,059
Loans outstanding June 30.....	2,182,668	2,025,204	1,488,538
Acquisitions.....	2,138,033	2,918,928	3,071,882
Cost of commodities sold.....	2,759,645	2,165,898	2,379,493
Cost of commodities donated.....	467,363	662,314	724,961
Inventory as of June 30.....	4,474,358	4,565,074	4,532,502
Investment in price support as of June 30.....	6,657,026	6,590,278	6,021,040
Net expenditures.....	590,441	1,285,566	871,147
Realized losses.....	1,279,485	1,100,627	1,636,992

Commodity export.—The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Other than in barter for stockpiling purposes, such commodities and products may be those held in private trade channels as well as those acquired by the Corporation in its price-support operations. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(d) and 5(f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949, as amended, the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, as amended, title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, as amended, and section 9 of the act of September 6, 1958. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended. However, other such transactions may be conducted under the charter authority.

Based on recommendations of the Executive Stockpile Committee, approved by the President on September 20, 1962, the emphasis of the barter program will be shifted from acquisition of strategic and critical materials for the supplemental stockpile to its use in various types of off-shore procurement programs for the Department of Defense, the Agency for International Development, and

other agencies. Commodity Credit Corporation will be reimbursed for off-shore procurement by the recipient agencies.

To the extent that appropriations are not provided under Foreign assistance programs, obligations under the International Wheat Agreement, and titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose. These programs are further described under special activities and Foreign assistance programs.

In addition to the exports under the International Wheat Agreement, Corporation-owned wheat is available for export under barter programs of the Corporation at competitive world prices and under the Corporation's export credit sales program. It is also made available to exporters, in payment of the price differential between the prevailing world export sales price and the domestic market price which is earned on exports of free-market wheat outside the International Wheat Agreement and under this agreement. Cash payments are made on all exports of wheat flour either under the International Wheat Agreement or outside the agreement. Wheat and flour payments outside the agreement are made on exports to countries not participating in the agreement.

In order to encourage movement of cotton, corn, barley, grain sorghums, oats, rye, rice and nonfat dry milk from free-market supplies into export channels, export payments are made in the form of these commodities from the Corporation's stocks. Cotton held in the Corporation's inventory is also sold for unrestricted use on a competitive price basis.

The Corporation conducts a cotton products export program designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. Equalization payments, based on the raw cotton content in the products exported, are made to exporters on cotton products of upland cotton grown and wholly processed in the United States.

The Corporation also purchases wheat and other products from processors or processes its own stocks of such commodities for foreign and domestic distribution. In certain cases, payments for such products or processing costs are made in payment-in-kind export certificates.

Also, the Corporation furnishes agricultural commodities and products for distribution or exhibition at international trade fairs to aid in the development of foreign markets for such commodities.

Storage facilities.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4(h), 4(m), and 5 (a) and (b). The Corporation may (a) purchase and maintain (in storage deficient areas) granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) make loans for the construction or expansion of farm-storage facilities; (c) provide storage-use guarantees to encourage the construction of commercial storage facilities; and (d) undertake other operations necessary to provide storage adequate to carry out the Corporation's programs.

Supply and foreign purchase.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies, and to meet domestic requirements. Foods, agricultural commodities

and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply. The Corporation may also, through purchases, loans, sales or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

Operations involving procurement for other Government agencies are conducted in accordance with section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of the act may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

The main activities now carried on are procurement for other Government agencies of specialized commodities not in the Corporation's price-support inventory.

Feed grains.—Under section 16 (c), (d), and (g) of the Soil Conservation and Domestic Allotment Act, the Secretary of Agriculture utilizes Commodity Credit Corporation funds, facilities, and stocks of feed grains in redeeming or marketing payment-in-kind certificates issued to producers who divert acreage from the production of 1961 crops of corn and grain sorghums and 1962 and 1963 crops of corn, grain sorghums, and barley under this program. The Corporation is also authorized to use its capital funds to pay administrative expenses necessary to carry out this program through June 30, 1963. (See Agricultural Stabilization and Conservation Service.)

Wheat stabilization.—Under section 124 of the Agricultural Act of 1961, Public Law 87-128, approved August 8, 1961, and section 307 of the Food and Agriculture Act of 1962 and section 339(b) of the Agricultural Adjustment Act of 1938, as added by the Food and Agriculture Act of 1962, the Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making payments to producers who divert acreage from the production of 1962, 1963, 1964 and 1965 crops of wheat under this program. Payments are made by issuance of Commodity Credit Corporation sight drafts which may be cashed or used for the acquisition of wheat from Commodity Credit Corporation stocks. The Corporation is also authorized to use its capital funds to pay administrative expenses necessary to carry out this program through June 30, 1963. (See Agricultural Stabilization and Conservation Service.)

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs (in thousands of dollars):

	1962 actual	1963 estimate	1964 estimate
Loans outstanding, gross, beginning of year:			
Commodity Credit Corporation.....	917,003	1,353,091	1,470,577
Lending agencies.....	64	3	-----
Certificates of interest.....	605,698	901,823	639,136
Total, loans outstanding, gross, beginning of year.....	1,522,765	2,254,917	2,109,713
Add loans made.....	2,661,660	2,766,893	2,273,432
Deduct:			
Loans repaid.....	897,574	1,069,464	880,302
Acquisition of loan collateral.....	1,017,965	1,835,586	1,926,059
Transfers to accounts receivable.....	767	240	250
Writeoffs.....	13,202	6,807	487
Total, loans outstanding, gross, end of year.....	2,254,917	2,109,713	1,576,047

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

	1962 actual	1963 estimate	1964 estimate
Loans outstanding, gross, end of year:			
Commodity Credit Corporation.....	1,353,091	1,470,577	751,304
Lending agencies.....	3		
Certificates of interest.....	901,823	639,136	824,743
Total, loans outstanding, gross, end of year.....	2,254,917	2,109,713	1,576,047
Deduct allowance for losses.....	546,169	506,301	372,135
Loans receivable, net (price support and storage facilities).....	1,708,748	1,603,412	1,203,912
<i>Inventory operations.</i> —The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):			
AGRICULTURAL COMMODITIES			
On hand, start of year, gross.....	5,531,293	4,454,133	4,550,232
Acquisitions:			
Forfeiture of loan collateral.....	1,017,962	1,835,586	1,926,059
Excess of collateral acquired over loans canceled.....	76,634	90,473	101,944
Purchases.....	886,902	847,809	894,367
Transfers and exchanges, net.....	—17,767	297	306
Carrying charges:			
Charges to inventory.....	15,317	19,955	19,398
Storage and handling.....	(391,220)	(372,944)	(343,639)
Transportation.....	(130,770)	(118,068)	(115,110)
Total, carrying charges to inventory.....	15,317	19,955	19,398
Total acquisitions.....	1,979,048	2,794,120	2,942,074
Dispositions:			
Donations to—			
Emergency feed program.....	584	826	748
Veterans Administration and Armed Forces.....	43,545	40,850	40,414
Needy persons, domestic.....	199,905	299,284	286,051
Needy persons, foreign (excluding title II, Public Law 480).....	235,710	320,209	396,633
Research, experimentation, education, etc.....	1,524	1,148	1,118
Total donations.....	481,268	662,317	724,964
Sales and transfers:			
Bartered for strategic materials..	189,798	185,835	188,355
Special programs:			
International Wheat Agreement.....	71,712	61,503	57,110
Title I, Public Law 480.....	386,605	351,405	344,295
Title II, Public Law 480.....	172,265	117,597	149,846
Title IV, Public Law 480.....	6,421	38,038	52,788
Migratory waterfowl feed and game birds.....	347	219	245
Total special programs.....	637,350	568,762	604,284
Commodity export program, payment-in-kind deliveries.....	77,166	110,435	132,671
Marketing of grain certificates.....	806,674	945,756	735,188
Other sales.....	629,323	350,445	760,007
Net loss or gain (—), sales and transfers.....	234,629	—125,529	—175,765
Total, sales and transfers.....	2,574,940	2,035,704	2,244,740
Total dispositions.....	3,056,208	2,698,021	2,969,704
On hand, end of year, gross.....	4,454,133	4,550,232	4,522,602
Less allowance for losses.....	1,151,100	1,173,074	1,164,753
On hand, end of year, net.....	3,303,033	3,377,158	3,357,849

STRATEGIC AND CRITICAL MATERIALS

	1962 actual	1963 estimate	1964 estimate
On hand, start of year, gross.....	33,818	20,524	15,000
Acquisitions:			
Delivered by barter contractors....	171,778	125,000	130,000
Carrying charges:			
Storage and handling.....	(2,037)	(1,800)	(1,500)
Transportation.....	(3,281)	(3,200)	(3,500)
Total, carrying charges.....	(5,318)	(5,000)	(5,000)
Total acquisitions.....	171,778	125,000	130,000
Dispositions:			
Offshore procurement.....		50,000	78,000
Special program: Supplemental stockpile.....	193,294	85,500	61,500
Difference between cost and transfer value.....	—8,222	—4,976	—4,500
Total dispositions.....	185,072	130,524	135,000
On hand, end of year, gross.....	20,524	15,000	10,000
Less allowance for losses.....	198	150	100
On hand, end of year, net.....	20,326	14,850	9,900

Undistributed expenses.—There are a number of expenses which are not allocated to a specific program. These include interest on (a) the capital stock of the Corporation, (b) borrowings from the Treasury, and (c) other obligations evidencing loans made by lending agencies; administrative expenses; and other miscellaneous costs, including expenses of the agricultural stabilization and conservation county committees and Federal Reserve banks in connection with the Corporation's programs.

Administrative expenses are for the operating staff, including the services of employees of the Agricultural Stabilization and Conservation Service engaged in the Corporation's activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia and rent of field office space. Estimates for 1964 include a limitation of \$43.9 million for costs of administration including a reserve of not less than 7% for contingencies. The requested authorization excludes administrative expenses in connection with the supply and foreign purchase program, the wool and mohair program under the National Wool Act of 1954, the International Wheat Agreement, and the sale of long-staple cotton transferred from the national stockpile, since it is contemplated that full reimbursement will be received for these expenses. Such reimbursement will be obtained and used in 1964 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest have been treated as program rather than administrative expenses. Such expenses include inspection, classing and grading work performed on a fee basis by Federal employees or Federal or State licensed inspectors and work performed on a contract basis by agricultural stabilization and conservation county committees. Capital funds of the Corporation are transferred to the consolidated appropriation, Expenses, Agricultural Stabilization and Conservation Service as indicated under that appropriation item for operating expenses relating to the Corporation's programs. Also, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. These include the fleet storage operation of the

Maritime Administration conducted intermittently since 1949 and the services of the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

Under the special agricultural conservation programs for feed grains and the wheat stabilization program, capital funds of the Corporation are authorized to pay administrative expenses of these programs through June 30, 1963.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted. A summary of current activities will be found on p. 143.

The Corporation receives reimbursement for costs of these activities as described under each.

Activities currently being carried out are as follows: (See Foreign assistance programs for details of items (1)–(5).)

(1) *Sale of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1701–1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment, facilities and services for the common defense, payment of U.S. obligations, military family housing, and other specified purposes.

(2) *Commodities disposed of for emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1964, is directed, under title II of Public Law 480, 83d Congress, as amended (7 U.S.C. 1703, 1721–1724), to make its stocks of agricultural commodities available for emergency assistance to friendly peoples in meeting famine or other urgent relief requirements and to pay ocean freight charges for the shipment of donated commodities.

(3) *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (7 U.S.C., Supp. 1, 1731–1736), the President, in order to stimulate and increase sales for dollars, is authorized to make agreements with friendly nations, including their financial institutions, or with the private trade, under which the United States would deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

(4) *International Wheat Agreement (7 U.S.C. 1641–1642).*—This agreement, which was renewed for a period of 3 years effective August 1, 1962, operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries at stable and equitable prices.

(5) *Bartered materials for supplemental stockpile.*—The Commodity Credit Corporation is directed under title II of the Agricultural Act of 1956 (7 U.S.C. 1856) to transfer strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes, to the supplemental stockpile.

(6) *Military housing (barter and exchange).*—During 1957 a contract was completed for the disposition of Commodity Credit Corporation-owned commodities valued at \$50 million, for the construction of military housing in France with foreign currencies obtained from this transaction. Proceeds from rental and quarters allowances

will be paid by the Department of Defense over a long period of years to reimburse the Corporation pursuant to the act of September 1, 1954 (5 U.S.C. 171z–1).

(7) *National Wool Act.*—Under the provisions of the National Wool Act of 1954, as amended, incentive payments are being used to encourage the annual domestic production of approximately 300 million pounds of shorn wool. Support of prices of wool and mohair is mandatory. Incentive payments are made to eligible producers on a percentage basis, reflecting the amount required to bring the national average received by all producers up to the announced incentive level. The incentive level can not exceed 110% of parity. In a referendum conducted in September 1962, wool and lamb producers voted to continue the deduction from their incentive payment of an amount not to exceed 1 cent per pound of wool and 5 cents per hundredweight of unshorn lambs marketed. These funds financed promotional advertising, and related market-development activities by the American Sheep Producers' Council, Inc., under an agreement with the Secretary of Agriculture. In order to simplify program and financing operations, the marketing year under this program will be placed on a calendar year basis on January 1, 1964.

COST OF THE NATIONAL WOOL ACT

	[Dollars in thousands]			
	Fiscal year 1962 1960 mar- keting year (actual)	Fiscal year 1963 1961 mar- keting year (estimate)	Fiscal year 1964	
			1962 mar- keting year (estimate)	1963 mar- keting year (estimate)
Volume of marketings:				
Shorn wool, thousand pounds.....	249,700	248,300	236,400	175,000
Unshorn lambs, thousand cwt.....	11,937	12,500	12,000	9,000
Mohair, thousand pounds.....	-----	-----	33,568	21,000
Incentive payments:				
Per pound, shorn wool, cents.....	20.0	19.1	19.0	19.0
Per hundredweight, unshorn lambs, cents.....	80.0	76.0	76.0	76.0
Per pound, mohair, cents.....	-----	-----	9.0	11.0
Incentive payments:				
Shorn wool.....	\$49,940	\$47,426	\$44,916	\$33,250
Unshorn lambs.....	9,550	9,500	9,120	6,840
Mohair.....	-----	-----	3,021	2,310
Promotional and advertising programs ¹	(3,027)	(3,232)	(3,232)	(2,424)
Total payments.....	59,490	56,926	57,057	42,400
Administrative expenses.....	2,897	3,300		4,000
Interest expense.....	2,960	2,720		2,764
Total.....	65,347	62,946	106,221	

¹ Deduction from producer payments.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual and estimated payments compared with this limitation are as follows (in thousands of dollars):

	1962 actual	1963 estimate	1964 estimate
70% of customs receipts on wool and wool manufactures cumulative from January 1, 1953, to end of preceding calendar year (estimate).....	502,667	571,667	640,667
Cumulative incentive payments on 2nd preceding marketing year (fiscal years).....	324,138	381,064	480,521
Balance of limitation available for payments on succeeding marketing years.....	178,529	190,603	160,146

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued**

Funds of the Commodity Credit Corporation are used to carry on the wool incentive program. A permanent appropriation is provided to reimburse the Corporation, but the yearly amount is limited to 70% of all duties collected on wool and wool manufactures during the preceding calendar year.

Estimated costs and reimbursements to Commodity Credit Corporation during 1962, 1963, and 1964 are indicated in the following table (in thousands of dollars):

	1962 actual	1963 estimate	1964 estimate
Due at beginning of year.....	120,676	110,745	104,526
Costs for year:			
Program.....	62,387	60,226	103,457
Interest.....	2,960	2,720	2,764
Total.....	65,347	62,946	106,221
Total due.....	186,023	173,691	210,747
Reimbursement to Commodity Credit Corporation.....	75,278	69,165	69,000
Due Commodity Credit Corporation at end of year.....	110,745	104,526	141,747
Less balance due Commodity Credit Corporation recoverable from subsequent years' customs receipts.....	41,580	35,526	72,747
Appropriation 1963, 1964, and 1965.....	69,165	69,000	69,000

(8) *Grain for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior (7 U.S.C. 442–445), such grain acquired through price-support operations and certified by the Commodity Credit Corporation to be available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition. This appropriation item is now included under that Department.

(9) *Surplus grain for game birds.*—The Secretary of the Interior (Public Law 87–152, approved August 17, 1961 (75 Stat. 389)), is authorized to requisition Commodity Credit Corporation grain for feeding starving migratory birds. Any State, under Public Law 87–152 cited above, upon the finding of the Secretary of the Interior that resident game birds and other resident wildlife are threatened with starvation, may also requisition grain from Corporation stocks. Appropriations will be requested in a later budget to reimburse the Corporation for this activity.

(10) *Grading and classing activities.*—The Commodity Credit Corporation is authorized to make advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a). Such advances used for classing cotton and grading tobacco not placed under price-support loan are financed by appropriations. This appropriation item is now included under the Agricultural Marketing Service.

(11) *Soil bank program.*—Pursuant to section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture utilizes the facilities of the Corporation for making payments to farmers under this program. (See Agricultural Stabilization and Conservation Service.)

(12) *Land use adjustment.*—Pursuant to section 101 of the Food and Agriculture Act of 1962, approved Septem-

ber 27, 1962, Public Law 87–703, the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of the Soil Conservation and Domestic Allotment Act, as amended.

(13) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—The act of July 10, 1957, (71 Stat. 290), authorized the transfer of 50 thousand bales of domestically grown extra long-staple cotton from the national stockpile to the Corporation for sale. Approximately 219,000 bales of extra long-staple cotton, both American-Egyptian and foreign grown, remaining in the stockpile were also made available to Commodity Credit Corporation for disposition pursuant to Public Law 87–548, approved July 25, 1962. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts.

(14) *Loans to Secretary of Agriculture for conservation purposes.*—Under section 391(c) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed \$50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made as soon as practicable in the succeeding fiscal year from funds appropriated for the agricultural conservation program. (See Agricultural Stabilization and Conservation Service.)

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guarantees to purchase notes or other obligations evidencing loans made by lending agencies, issuance of certificates of interest in loans held by the Corporation, appropriations to reimburse Commodity Credit Corporation for net realized losses, appropriations to reimburse the Corporation for costs of special activities, advances and reimbursements from Foreign Assistance Program appropriations, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1938 (15 U.S.C. 713a–4).

Interest on borrowings from the Treasury (and on capital stock) is paid in accordance with a policy of the Treasury that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on certificates of interest and lending agency obligations for the period the agencies have their funds invested.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate no need for an increase in borrowing authority. Since there are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, it must

be recognized that estimates of the use of borrowing authority are highly tentative. Should program developments occur which would indicate a need for funds in excess of those contained in these estimates, additional new obligational authority would be requested.

Legislation is being proposed to permit the Corporation, at its option, to tender notes to the Treasury for cancellation accompanied with an equivalent reduction in the borrowing authority of the Corporation. Such tenders would usually be made for unreimbursed realized losses.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF
JUNE 30

[In millions of dollars]			
Item	1962 actual	1963 estimate	1964 estimate
Statutory borrowing authority.....	14,500	14,500	14,500
Deduct borrowings from Treasury.....	12,990	13,738	12,257
Obligations to purchase loans or certificates held by lending agencies (guaranteed by Commodity Credit Corporation).....	902	639	825
Total statutory borrowing authority outstanding.....	13,892	14,377	13,082
Net statutory borrowing authority available.....	608	123	1,418

Note.—This table does not reflect the following charges: accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase notes and certificates held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans or certificates held by banks.

Reimbursement for net realized losses.—Pursuant to Public Law 87-155 (75 Stat. 391), annual appropriations are authorized for each fiscal year commencing with fiscal year ending June 30, 1961, to reimburse the Commodity Credit Corporation for net realized losses sustained as reflected in its accounts and shown in its report of financial condition as of the close of each fiscal year. This law repealed sections 1 and 2 of the act of March 8, 1938, as amended (15 U.S.C. 713a-1), which provided for an appraisal by the Secretary of the Treasury of the assets and liabilities of the Corporation and authorized restoration of capital impairment or surplus payments to Treasury based on such appraisal.

The realized losses reflected in the accounts of the Corporation and in its report of financial condition as of June 30, 1962, were \$2,799.4 million. A 1964 appropriation in this amount is proposed in the estimates.

Inventory revaluation and accounting for carrying charges.—It had been the Corporation's practice for a number of years to treat as additions to the book value of commodity inventories the costs incurred for storage, handling, and transportation of such inventories. After approval by the General Accounting Office, the Department of the Treasury, the Bureau of the Budget, and applicable Congressional committees, the Corporation, in order to report inventory values on a more realistic basis, revalued its inventory as of June 30, 1961, by removing all accumulated storage, handling, and transportation costs incurred subsequent to acquisition of inventories and recording them as current operating expenses. In this connection, resale loan storage costs are similarly handled.

Net realized losses due to the inventory revaluation amounted to \$1,268.5 million. The 1963 appropriation act included \$211.5 million to reimburse the Corporation for approximately one-sixth of these losses. Subsequent

budgets may include additional reimbursement of these losses if needed to finance operations.

The net realized losses of the Corporation have previously been reimbursed as follows (in thousands of dollars):

PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS AND
SPECIAL MILK

Realized losses 1933 to 1962 inclusive.....	18,339,009
Reimbursements by the Treasury:	
Reimbursement of realized losses:	
Appropriations (13 times).....	8,867,323
Note cancellations (6 times).....	2,697,807
	11,565,130
Less dividends paid to Treasury (4 times).....	138,209
Total reimbursement for net realized losses.....	11,426,921
Other reimbursements:	
Appropriations (2 times).....	541,916
Note cancellation (1 time).....	56,239
Total other reimbursements.....	598,155
Reimbursement for costs of special milk, net.....	86,500
Total.....	12,111,576
Realized deficit as of June 30, 1962, price support, export, supply, and related programs and special milk.....	6,227,433

SPECIAL ACTIVITIES

Realized losses, 1948 to 1962 inclusive.....	10,024,345
Reimbursements by the Treasury:	
Appropriations (13 times).....	9,319,114
Note cancellations (4 times).....	536,518
Total reimbursements.....	9,855,632
Deficit as of June 30, 1962, special activities.....	168,713

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances and reimbursements from Foreign assistance programs and other special activities and miscellaneous income, refunds, and collections.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Price support, export, supply, and related programs:			
Revenue.....	2,601,040	2,370,908	2,629,169
Expense: Cost of commodities sold and other expense.....	5,400,464	5,125,690	5,276,159
Net realized loss (—).....	—2,799,424	—2,754,782	—2,646,990
Increase or decrease (—) in provision for losses on commodities for sale (unrealized).....	—378,428	21,926	—8,371
Increase or decrease (—) in provision for losses on loans receivable (unrealized).....	220,064	—39,868	—134,166
Decrease (—) in provision for losses on accounts receivable (unrealized).....	—5,340	—1,467	—1,500
Total expense.....	5,236,760	5,106,281	5,132,122
Net operating loss (—), price support, export, supply, and related programs.....	—2,635,720	—2,735,373	—2,502,953

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****COMMODITY CREDIT CORPORATION FUND—Continued****Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
PRICE SUPPORT, EXPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—Continued			
Special milk program:			
Revenue (prior year adjustments)	959	1,228	-----
Expense	92,628	-----	-----
Net operating loss (—), special milk program	—91,669	1,228	-----
Net income or loss (—) for the year:			
Realized	—2,891,093	—2,753,554	—2,646,990
Unrealized (net decrease in provision for losses)	163,704	19,409	144,037
Net loss (—) for the year, price support, export, supply, and related programs and special milk	—2,727,389	—2,734,145	—2,502,953
Analysis of deficit (—):			
Deficit (—), start of year	—6,306,844	—7,930,123	—8,294,413
Appropriations (net):			
Restoration of capital impairment	1,017,610	-----	-----
Reimbursement for net realized losses	-----	2,278,455	2,799,400
Reimbursement for costs of special milk program	86,500	91,400	-----
Deficit (—), end of year:			
Realized	—6,227,433	—6,611,132	—6,458,722
Unrealized	—1,702,690	—1,683,281	—1,539,244
Total deficit (—), end of year, price support, export, supply, and related programs and special milk	—7,930,123	—8,294,413	—7,997,966
SPECIAL ACTIVITIES (see schedule)			
Revenue	2,076,639	2,082,306	2,133,857
Expense	2,224,040	2,144,252	2,183,078
Net operating loss (—), special activities	—147,401	—61,946	—49,221
Analysis of deficit (—):			
Deficit (—), start of year	—1,958,505	—168,713	—161,526
Adjustment for "Reimbursement to Commodity Credit Corporation for costs of foreign assistance and other special activities"	-----	—32	-----
Appropriations, net (see schedule)	1,937,193	69,165	69,000
Deficit (—), end of year, special activities	—168,713	—161,526	—141,747
Total deficit (—), Commodity Credit Corporation	—8,098,836	—8,455,939	—8,139,713

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Cash:				
Treasury balance	44,832	34,257	33,510	33,712
Current assets:				
Price support, export, supply, and related programs and special milk:				
Accounts receivable:				
Accrued assets	3,438	4,229	4,500	4,500
Advances on pooled feed grain certificates	325,680	344,037	111,600	184,400
Other accounts receivable (net)	207,352	170,353	146,444	122,944
Net accounts receivable, price support, export, supply, and related programs and special milk	536,470	518,619	262,544	311,844
Special activities:				
Accounts receivable:				
Due from sales and use of foreign currency:				
Public Law 480, Title I:				
Future recoveries from sales of currencies	388,812	435,932	366,900	202,900
Military housing rentals	64,688	67,568	94,100	88,100
Total, Public Law 480, Title I	453,500	503,500	461,000	291,000
Due from foreign governments (Public Law 480, Title IV)	-----	21,972	223,460	432,372
Public Law 161, barter and exchange, military housing rentals	46,910	45,051	42,000	38,000

Financial Condition (in thousands of dollars)—Continued

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets—Continued				
Current assets—Con.				
Special activities—Con.				
Accounts receivable—Con.				
Due for surplus grain for migratory waterfowl and game birds	6	318	497	537
Due from "Foreign Assistance Programs"	184,659	443,640	550,188	
Other				106
Total, special activities	685,075	1,014,481	1,277,145	762,015
Total current assets (accounts receivable)	1,221,545	1,533,100	1,539,689	1,073,859
Selected assets: ¹				
Price support, export, supply, and related programs and special milk:				
Commodities for sale, net:				
Agricultural commodities	4,001,567	3,303,033	3,377,158	3,357,849
Strategic and critical materials	33,818	20,326	14,850	9,900
Total commodities for sale	4,035,385	3,323,359	3,392,008	3,367,749
Deferred and undistributed charges	26,512	26,702	5,000	5,000
Total selected assets	4,061,897	3,350,061	3,397,008	3,372,749
Loans receivable, net:				
Price support and storage facilities loans	1,196,660	1,708,748	1,603,412	1,203,912
Special activities	30,200	42,100	50,000	38,000
Total loans receivable, net	1,226,860	1,750,848	1,653,412	1,241,912
Fixed assets, net	117,517	108,308	99,178	87,798
Total assets	6,672,651	6,776,574	6,722,797	5,810,030
Liabilities:				
Current liabilities:				
Price support, export, supply, and related programs and special milk:				
Loans and certificates held by lending agencies	605,762	901,826	639,136	824,743
Other:				
Obligations to redeem pooled feed grain certificates	332,352	345,178	111,600	184,400
Accounts payable	129,287	178,879	228,000	278,600
Accrued liabilities	155,218	155,437	155,000	155,000
Trust and deposit liabilities	79,976	84,861	90,000	90,000

Financial Condition (in thousands of dollars)—Continued

	1961 actual	1962 actual	1963 estimate	1964 estimate
Liabilities—Continued				
Current liabilities—Con.				
Price support, export, etc.—Continued				
Other—Continued				
Deferred and undistributed credits	64,799	58,661	60,000	60,000
Subtotal, other	761,632	823,016	644,600	768,000
Total current liabilities, price support, export, supply, and related programs and special milk	1,367,394	1,724,842	1,283,736	1,592,743
Special activities:				
National Wool Act payments due producers	60,000	58,000	57,000	
Unused soil bank advances	12,274	2,096		
Other	2,417	472		
Total special activities	74,691	60,568	57,000	
Total current liabilities	1,442,085	1,785,410	1,340,736	1,592,743
Government equity:				
Interest bearing capital:				
Start of year:				
Capital stock	100,000	100,000	100,000	100,000
Borrowings from Treasury	12,704,000	13,395,915	12,990,000	13,738,000
Total, start of year	12,804,000	13,495,915	13,090,000	13,838,000
Borrowings from Treasury	691,915	-405,915	748,000	-1,481,000
End of year:				
Borrowings from Treasury	13,395,915	12,990,000	13,738,000	12,257,000
Capital stock	100,000	100,000	100,000	100,000
Total, end of year	13,495,915	13,090,000	13,838,000	12,357,000
Deficit (—):				
Price support, export, supply, and related programs and special milk:				
Net realized deficit (—)	-4,440,450	-6,227,433	-6,611,132	-6,458,722
Net unrealized deficit (—)	-1,866,394	-1,702,690	-1,683,281	-1,539,244
Total deficit (—), price support, export, supply, and related programs and special milk	-6,306,844	-7,930,123	-8,294,413	-7,997,966
Total deficit (—), special activities (realized)	-1,958,505	-168,713	-161,526	-141,747
Total deficit (—)	-8,265,349	-8,098,836	-8,455,939	-8,139,713
Total Government equity	5,230,566	4,991,164	5,382,061	4,217,287

¹ The changes in these items are reflected on the program and financing schedule.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Analysis of Government Equity and Undrawn Authorizations (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Obligations other than liabilities: ¹				
Price support, export, supply, and related programs and special milk:				
Commodities under contract to purchase	205,142	142,906	129,233	128,343
Purchase agreements outstanding	75,874	89,725	67,250	69,500
Unrecorded claims	6,879	6,276	6,500	7,000
Approved declarations of sales for export	86,669	46,489	46,489	46,489
Farm storage facility and equipment loan commitments	6,898	3,433	4,000	4,500
Feed grain program commitments	435,000	550,300	227,000	
Wheat stabilization program commitments		262,900	93,000	170,000
Total obligations other than liabilities, price support, export, supply, and related programs and special milk	816,462	1,102,029	573,472	425,832
Special activities:				
Letters of commitment—title I	217,400	250,921	230,000	227,000
Letters of commitment—title IV		16,456	39,000	47,000
Approved declarations of sales for export	7,698	5,345	5,000	4,000
Total obligations other than liabilities, special activities	225,098	272,722	274,000	278,000
Less commitments which are recoverable	-225,098	-272,722	-274,000	-278,000
Net obligations other than liabilities, special activities				
Total obligations other than liabilities	816,462	1,102,029	573,472	425,832
Unobligated balance ²	111,915	189,918	420,991	1,331,996
Invested capital	5,406,274	5,209,217	5,149,598	4,702,459
Subtotal	6,334,650	6,501,164	6,144,061	6,460,287
Less undrawn authorizations	-1,104,084	-1,510,000	-762,000	-2,243,000
Total Government equity	5,230,566	4,991,164	5,382,061	4,217,287

Note.—In addition to obligations other than liabilities the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

¹ The changes in these items are reflected on the program and financing schedule.
² Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans held by banks. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans held by banks.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
COMMODITY CREDIT CORPORATION			
11 Personnel compensation:			
Permanent positions	23,796	26,291	
Positions other than permanent	1,084	2,366	
Other personnel compensation	591	700	
Total personnel compensation	25,471	29,357	
12 Personnel benefits	1,897	2,020	
21 Travel and transportation of persons	1,129	1,525	
22 Transportation of things	300,302	297,157	314,098
23 Rent, communications, and utilities	4,767	4,775	
24 Printing and reproduction	667	894	
25 Other services	6,612	5,317	3,718
Services of other agencies	610	750	
Advances to—			
Expenses, Agricultural Stabilization and Conservation Service	77,093	83,028	94,038
Salaries and expenses, general administration		45	
Salaries and expenses, Foreign Agricultural Service	936	1,265	1,417
Storage and handling	419,358	392,907	344,418
26 Supplies and materials	375	502	
Cost of commodities sold or donated:			
Foreign assistance programs	1,142,496	1,226,890	1,245,864
Other	2,862,852	2,850,471	3,096,333
31 Equipment	2,739	3,150	900
33 Loans	2,711,660	2,311,432	2,816,893
41 Grants, subsidies, and contributions	1,260,344	1,316,467	1,316,467
43 Interest	349,413	331,771	325,707
Undistributed, foreign assistance programs	848,476	676,582	689,539
Total costs	10,017,197	10,086,357	9,743,931
Change in selected resources	-426,269	-481,610	-171,899
Total obligations, Commodity Credit Corporation	9,590,928	9,604,747	9,572,032
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
11 Personnel compensation:			
Permanent positions	532	604	581
Positions other than permanent	5	3	
Other personnel compensation	11	12	15
Total personnel compensation	548	619	596
12 Personnel benefits	39	46	46
21 Travel and transportation of persons	23	39	36
Payment to interagency motor pools	9	6	6
22 Transportation of things	3,346	2,627	2,721
23 Rent, communications, and utilities	18	23	23
24 Printing and reproduction	2	4	4
25 Other services	980	1,115	1,051
Payment to Administrative operations fund	105	105	105
Services of other agencies	190	200	200
26 Supplies and materials	151	205	201
31 Equipment	3	11	11
Total General Services Administration	5,414	5,000	5,000
Total obligations	9,596,342	9,609,747	9,577,032

Personnel Summary

ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	96	95	91
Full-time equivalent of other positions	1	1	
Average number of all employees	85.0	94.3	90.4
Number of employees at end of year	83	86	86
Average GS grade	7.1	7.5	7.4
Average GS salary	\$6,307	\$6,525	\$6,469
Average salary of ungraded positions	\$6,207	\$6,176	\$6,363

SCHEDULE OF SPECIAL ACTIVITIES

[In thousands of dollars]

	Deficit, accounts receivable and unpaid obligations (-) as of July 1	Program expenditures			Receipts			Special appropriations to reimburse Commodity Credit Corporation (net)			Balance as of June 30	
		Com- modity transfers from price- support program	Other costs and capital outlay ¹	Increase (-) or de- crease in unpaid obligations	Gross expendi- tures	Revenue and other receipts	Increase (-) or de- crease in accounts receivable	Net budget expendi- tures	Net operat- ing loss		Recover- able from special appropri- ations, deficit	Accounts receivable and unpaid obligations(-) ²
RECOVERABLE COSTS												
FOREIGN ASSISTANCE PROGRAMS												
Public Law 480:												
Title I:												
Sale of surplus agricultural commodi- ties for foreign currencies:												
1962.....	1,532,703	386,605	1,219,486	1,606,091	1,606,091	1,606,091	-154,301	154,301		1,353,000		334,004
1963.....	334,004	351,405	1,123,395	1,474,800	1,474,800	1,474,800	-174,168	174,168				508,172
1964.....	508,172	344,295	1,107,705	1,452,000	1,452,000	1,452,000	508,172	-508,172				
Future recoveries:												
Sales of currencies:												
1962.....	388,812						-47,120	47,120				435,932
1963.....	435,932						\$ 69,032	\$ -69,032				366,900
1964.....	366,900						164,000	-164,000				202,900
Military housing:												
1962.....	64,688						-2,880	2,880				67,568
1963.....	67,568						-26,532	26,532				94,100
1964.....	94,100						6,000	-6,000				88,100
Subtotal future recoveries:												
1962.....	453,500						-50,000	50,000				503,500
1963.....	503,500						42,500	-42,500				461,000
1964.....	461,000						170,000	-170,000				291,000
Total, Public Law 480, title I:												
1962.....	1,986,203	388,605	1,219,486	1,606,091	1,606,091	1,606,091	-204,301	204,301		1,353,000		837,504
1963.....	837,504	351,405	1,123,395	1,474,800	1,474,800	1,474,800	-131,668	131,668				969,172
1964.....	969,172	344,295	1,107,705	1,452,000	1,452,000	1,452,000	678,172	-678,172				291,000
Title II:												
Commodities disposed of for emer- gency famine relief to friendly peoples:												
1962.....	179,065	172,265	69,674	241,939	241,939	165,319	-24,451	101,071	76,620	255,685		24,451
1963.....	24,451	117,597	77,403	195,000	195,000	195,000	24,451	-24,451				
1964.....		149,846	90,154	246,000	246,000	246,000						
Title IV:												
Long-term supply contracts:												
1962.....		6,421	22,551	28,972	28,972	28,972	-21,972	21,972				21,972
1963.....	21,972	38,038	210,950	248,988	248,988	248,988	-201,438	201,438				223,460
1964.....	223,460	52,788	249,624	302,412	302,412	302,412	-208,912	208,912				432,372
Total, Public Law 480:												
1962.....	2,165,268	565,291	1,311,711	1,877,002	1,877,002	1,800,382	-250,724	327,344	76,620	1,608,685		883,927
1963.....	883,927	507,040	1,411,748	1,918,788	1,918,788	1,918,788	-308,705	308,705				1,192,632
1964.....	1,192,632	546,929	1,453,483	2,000,412	2,000,412	2,000,412	469,260	-469,260				723,372
International Wheat Agreement:												
1962.....	93,746	71,712	18,338	90,050	90,050	90,050	-19,369	19,369		88,790		24,325
1963.....	24,325	61,503	16,046	77,549	77,549	77,549	3,669	-3,669				20,656
1964.....	20,656	57,110	14,590	71,700	71,700	71,700	20,656	-20,656				
Bartered materials for supplemental stockpile:												
1962.....	155,729	193,294		193,294	193,294	185,860	-60,860	68,294	7,434	163,163		60,860
1963.....	60,860	85,500		85,500	85,500	85,500	39,500	-39,500				21,360
1964.....	21,360	61,500		61,500	61,500	61,500	21,360	-21,360				
Subtotal, foreign assistance pro- grams:												
1962.....	2,414,743	830,297	1,330,049	2,160,346	2,160,346	2,076,292	-330,953	415,007	84,054	1,860,638		969,112
1963.....	969,112	654,043	1,427,794	2,081,837	2,081,837	2,081,837	-265,536	265,536				1,234,648
1964.....	1,234,648	665,539	1,468,073	2,133,612	2,133,612	2,133,612	511,276	-511,276				723,372
OTHER PROGRAMS												
Military housing (barter and exchange):												
1962.....	46,910						1,859	-1,859				45,051
1963.....	45,051						3,051	-3,051				42,000
1964.....	42,000						4,000	-4,000				38,000
Reimbursement for costs of National Wool Act:												
1962.....	120,676		63,347	63,347	2,000	65,347		65,347	63,347	75,278	168,745	-58,000
1963.....	110,745		61,946	61,946	1,000	62,946		62,946	61,946	69,165	161,526	-57,000
1964.....	104,526		49,221	49,221	57,000	106,221		106,221	49,221	\$ 69,000	141,747	
Grain for migratory waterfowl (Interior):												
1962.....	19	168		168		168	-133	133		13		139
1963.....	139	36		36		36	-1	1				140
1964.....	140	60		60		60	140	-140				
Surplus grain for game birds:												
1962.....		179		179		179	-179	179				179
1963.....		183		183		183	-178	178				357
1964.....		185		185		185	-180	180				537
Grading and classing activities:												
1962.....	1,232									1,264	-32	
1963.....	-32											
Soil bank program:												
Acreage reserve advances: ³												
1962.....	-362			(15)	(15)			(15)				-347
1963.....	-347			(347)	(347)			(347)				
Conservation reserve advances: ³												
1962.....	-11,912			(10,163)	(10,163)			(10,163)				-1,749
1963.....	-1,749			(1,749)	(1,749)			(1,749)				
Land use adjustment program:												
1963.....			250	250		250						

See footnotes at end of table, p. 144.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SCHEDULE OF SPECIAL ACTIVITIES

[In thousands of dollars]

	Deficit, accounts receiv- able and unpaid oblig- ations (—) as of July 1	Program expenditures					Receipts				Special appropri- ations to reimburse Commodity Credit Corpora- tion (net)	Balance as of June 30			
		Com- modity transfers from price- support program	Other costs and capital outlay ¹	Total program costs	Increase (—) or de- crease in unpaid oblig- ations	Gross expendi- tures	Revenue and other receipts	Increase (—) or de- crease in accounts receivable	Net budget expendi- tures	Net operat- ing loss		Recover- able from special appropri- ations, deficit	Accounts receiv- able and unpaid oblig- ations (—) ²		
RECOVERABLE COSTS—Continued															
OTHER PROGRAMS—continued															
Transfer of long-staple cotton from na- tional stockpile for sale by Commodity Credit Corporation:															
1962.....	—2,417	-----	-----	-----	1,945	1,945	-----	-----	-----	1,945	-----	-----	-----	—472	
1963.....	—472	-----	-----	-----	472	472	-----	-----	-----	472	-----	-----	-----	-----	
1964.....	-----	-----	-----	-----	-----	-----	-----	—106	-----	106	-----	-----	-----	106	
Subtotal, other programs:															
1962.....	154,146	347	63,347	63,694	3,945	67,639	347	1,547	65,745	63,347	76,555	168,713	—15,199		
1963.....	153,514	219	62,196	62,415	1,472	63,887	469	2,872	60,546	61,946	69,165	161,526	—14,503		
1964.....	147,023	245	49,221	49,466	57,000	106,466	245	3,854	102,367	49,221	69,000	141,747	38,643		
Total recoverable costs:															
1962.....	2,568,889	830,644	1,393,396	2,224,040	3,945	2,227,985	2,076,639	—329,406	480,752	147,401	1,937,193	168,713	953,913		
1963.....	1,122,626	654,262	1,489,990	2,144,252	1,472	2,145,724	2,082,306	—262,664	326,082	61,946	69,165	161,526	1,220,145		
1964.....	1,381,671	665,784	1,517,294	2,183,078	57,000	2,240,078	2,133,857	515,130	—408,909	49,221	69,000	141,747	762,015		
CAPITAL OUTLAY															
Loans for agricultural conservation:															
1962.....	30,200	-----	50,000	50,000	-----	50,000	38,100	-----	11,900	-----	-----	-----	42,100		
1963.....	42,100	-----	50,000	50,000	-----	50,000	42,100	-----	7,900	-----	-----	-----	50,000		
1964.....	50,000	-----	38,000	38,000	-----	38,000	50,000	-----	—12,000	-----	-----	-----	38,000		
Net budget expenditures:															
1962.....	-----	-----	-----	-----	-----	-----	-----	-----	492,652	-----	-----	-----	-----		
1963.....	-----	-----	-----	-----	-----	-----	-----	-----	333,982	-----	-----	-----	-----		
1964.....	-----	-----	-----	-----	-----	-----	-----	-----	—420,909	-----	-----	-----	-----		

¹ Includes interest on balance recoverable as follows (thousands): 1962, \$21,140; 1963 \$25,259; 1964, \$26,764.

² Consists of the following items: Public Law 480, title I, Sale of surplus agricultural commodities for foreign currencies—amounts to be recovered from (1) "Foreign Assistance programs" for unrecovered prior year costs, (2) future sales or use of foreign currencies to other Government agencies, and (3) Department of Defense for foreign currencies used for military housing; Public Law 480, title IV, Long-term supply contracts—amounts to be repaid by foreign countries for value of agricultural commodities shipped; International Wheat Agreement—amount to be recovered from "Foreign assistance programs" for unrecovered prior year costs; Military housing (Public Law 87-161, barter and exchange)—amount to be recovered from Department of Defense for value of agricultural commodities exchanged for construction of military housing abroad; reimbursement for costs of National Wool Act—amounts of liability for accrued payments due producers which will be paid in the succeeding fiscal year; grain for migratory waterfowl and surplus grain for game birds—amounts to be recovered for investment in Commodity Credit Corporation grain furnished under these programs; Soil Bank—unused advances received from funds appropriated for soil bank programs; transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation—amount available for payment of additional costs or for deposit in the Treasury as miscellaneous receipts; loans for agricultural conservation purposes—amount due from Secretary of Agriculture for advance purchase of conservation materials. In addition to the unpaid obligations, the following commitments relating to these programs were outstanding at the end of each year as indicated (in thousands):

	June 30, 1961	June 30, 1962	June 30, 1963	June 30, 1964
Letters of commitment:				
Public Law 480, title I.....	\$217,400	\$250,921	\$230,000	\$227,000
Public Law 480, title IV.....	-----	16,456	39,000	47,000
International Wheat Agreement, approved declarations of sales for export.....	7,698	5,345	5,000	4,000
Total commitments.....	225,098	272,722	274,000	278,000
Commitments which are recoverable..	—225,098	—272,722	—274,000	—278,000
Net.....	-----	-----	-----	-----

³ Reflects receipt of \$92.5 million of dollar repayments of foreign currency loans made under sec. 104 of Public Law 480.

⁴ The estimated appropriation of \$69 million for 1964 to reimburse the Corporation represents an amount equal to 70% of the preceding calendar year's customs receipts on wool and wool products to which reimbursement is limited in each fiscal year. The amounts due will be reimbursed from subsequent years' customs receipts.

⁵ Unobligated balance returned from "Commodity Credit Corporation fund" to "Reimbursement to Commodity Credit Corporation for costs of foreign assistance and other special activities."

⁶ Amounts in parentheses are contained in "soil bank program" under Agricultural Stabilization and Conservation Service.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$43,188,500 \$43,875,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*

further, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof. (7 U.S.C. 442-445, 624, 1282, 1301, 1385, 1391c, 1421-1432, 1441-1449, 1691-1697, 1701-1709, 1721-1724, 1731-1736, 1741-1747, 1808, 1813, 1851-1854, 1856-1857, 1859-1860; 15 U.S.C. 712a, 713a-10, 714-714p; 22 U.S.C. 1922; 31 U.S.C. 841, 846-852, 866-868c, 869; 50 U.S.C. App. 1917; 71 Stat. 290; 76 Stat. 218, 434, 605-632, 909; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

ADMINISTRATIVE EXPENSES

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Price support, export, and related activities.....	35,827	41,879	40,621
2. Special milk program.....	615		
Total program costs, funded.....	36,442	41,879	40,621
Change in selected resources ¹	129		
Total obligations.....	36,571	41,879	40,621
Financing:			
Comparative transfers to other accounts.....	3,499		
Unobligated balance lapsing.....	7,846	621	182
Reserve for contingencies.....		688	3,072
Limitation.....	47,916	43,188	43,875

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$217 thousand; 1962, \$346 thousand; 1963, \$346 thousand; 1964, \$346 thousand.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
COMMODITY CREDIT CORPORATION			
11 Personnel compensation:			
Permanent positions.....	23,280	26,291	
Positions other than permanent.....	1,084	2,366	
Other personnel compensation.....	589	700	
Total personnel compensation.....	24,953	29,357	
12 Personnel benefits.....	1,859	2,020	
21 Travel and transportation of persons.....	1,113	1,525	
22 Transportation of things.....	221	151	
23 Rent, communications, and utilities.....	4,756	4,775	
24 Printing and reproduction.....	652	894	
25 Other services.....	491	595	
Services of other agencies.....	610	750	
Advanced to—			
Expenses, Agricultural Stabilization and Conservation Service.....			39,204
Salaries and expenses, Foreign Agricultural Service.....	936	1,265	1,417
Salaries and expenses, General Administration (76 Stat. 1212).....		45	
26 Supplies and materials.....	365	502	
Total, Commodity Credit Corporation.....	35,956	41,879	40,621
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	516		
Positions other than permanent.....			
Other personnel compensation.....	2		
Total personnel compensation.....	518		
12 Personnel benefits.....	38		
21 Travel and transportation of persons.....	16		
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	11		
24 Printing and reproduction.....	15		
25 Other services.....	5		
26 Supplies and materials.....	10		
Total allocation accounts.....	615		
Total obligations.....	36,571	41,879	40,621
Obligations are distributed as follows:			
Commodity Credit Corporation.....	35,956	41,879	40,621
Agricultural Marketing Service.....	615		

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
COMMODITY CREDIT CORPORATION			
Total number of permanent positions.....	4,200	4,385	
Full-time equivalent of other positions.....	275	524	
Average number of all employees.....	4,185	4,677	
Number of employees at end of year.....	4,039	4,535	
Average GS grade.....	6.9	7.0	
Average GS salary.....	\$6,245	\$6,683	
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	92		
Average number of all employees.....	65		
Number of employees at end of year.....	64		
Average GS grade.....	7.7		
Average GS salary.....	\$6,439		

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

General and special funds:

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, [\$6,799,000] \$7,210,000. (7 U.S.C. 1501-1519; 31 U.S.C. 841, 846-852, 866-868c, 869; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Underwriting and actuarial analysis.....	869	896	917
2. Contract sales and servicing.....	4,978	5,041	5,353
3. Crop inspections and loss adjustments.....	667	860	940
Total program costs, funded ¹	6,513	6,797	7,210
Change in selected resources ²	37		
Total obligations.....	6,550	6,797	7,210
Financing:			
New obligational authority.....	6,550	6,797	7,210
New obligational authority:			
Appropriation.....	6,561	6,799	7,210
Transferred to (—)			
"Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353).....	—11		
"Salaries and expenses," general administration (76 Stat. 1212).....		—2	
Appropriation (adjusted).....	6,550	6,797	7,210

¹ Includes capital outlay as follows: June 30, 1962, \$48 thousand; 1963, \$50 thousand; 1964, \$50 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$18 thousand; 1962, \$55 thousand; 1963, \$55 thousand; 1964, \$55 thousand.

FEDERAL CROP INSURANCE CORPORATION— Continued

General and special funds—Continued

ADMINISTRATIVE AND OPERATING EXPENSES—Continued

This appropriation finances the administrative and operating expenses of the Corporation. The budget for insurance operations financed from capital funds appears below. An increase is proposed for 1964 to finance administrative costs related to the planned expansion in the insurance program.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	3,058	3,706	4,050
Positions other than permanent.....	1,086	569	550
Other personnel compensation.....	3	14	31
Total personnel compensation.....	4,147	4,289	4,631
12 Personnel benefits.....	266	303	329
21 Travel and transportation of persons.....	1,270	1,148	1,187
22 Transportation of things.....	24	36	25
23 Rent, communications, and utilities.....	359	407	449
24 Printing and reproduction.....	130	160	163
25 Other services.....	119	190	158
Services of other agencies.....	100	129	130
26 Supplies and materials.....	74	70	73
31 Equipment.....	61	65	65
Total obligations.....	6,550	6,797	7,210

Personnel Summary

Total number of permanent positions.....	601	604	624
Full-time equivalent of other positions.....	242	120	114
Average number of all employees.....	734	703	722
Number of employees at end of year.....	994	809	837
Average GS grade.....	6.5	6.9	6.9
Average GS salary.....	\$6,076	\$6,399	\$6,513

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed **[\$3,080,000]** \$3,480,000 of administrative and operating expenses may be paid from premium income. (7 U.S.C. 1516(a); *Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded:			
Indemnities, by crop:			
Apples.....			225
Barley.....	934	735	900
Beans.....	89	368	167
Cherries.....			225
Citrus.....	683	69	572
Combined Crop.....	1,048	425	669
Corn.....	645	4,371	3,300
Cotton.....	1,769	2,202	2,333
Flax.....	560	461	563
Grain Sorghum.....	1	52	129
Oats.....	121	118	230
Peaches.....	15	589	824
Peanuts.....		25	963
Peas.....		317	870
Potatoes.....		150	407
Raisins.....	2		367
Rice.....	11	11	81

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Operating costs, funded—Continued			
Indemnities, by crop—Continued			
Soybeans.....	432	674	1,220
Tobacco.....	613	2,538	3,034
Tomatoes.....			180
Wheat.....	9,161	2,799	7,441
Total indemnities.....	16,084	15,904	24,700
Inspection and adjustment costs.....	649	1,000	1,100
Administrative expenses: Limitation.....	1,877	3,080	3,480
Proposed increase in limitation due to pay increases.....		195	
Other expenses and adjustments, net.....	37	179	220
Total program costs—obligations.....	18,648	20,358	29,500
Financing:			
Revenues and other receipts:			
Insurance premiums, by crop:			
Apples.....			250
Barley.....	612	930	1,000
Beans.....	163	187	186
Cherries.....			250
Citrus.....	294	680	636
Combined crop.....	849	643	743
Corn.....	2,758	3,692	3,667
Cotton.....	1,286	2,270	2,592
Flax.....	440	553	625
Grain sorghum.....	1	88	143
Oats.....	96	254	255
Peaches.....	24	326	916
Peanuts.....		204	1,070
Peas.....		103	967
Potatoes.....		120	452
Raisins.....	284	300	408
Rice.....	11	18	90
Soybeans.....	803	1,219	1,356
Tobacco.....	2,115	3,282	3,371
Tomatoes.....			200
Wheat.....	8,423	7,458	8,323
Total premiums.....	18,159	22,327	27,500
Interest and other receipts.....	64	100	100
Total revenues and other receipts.....	18,223	22,427	27,600
Unobligated balance brought forward.....	48,016	47,591	49,660
Unobligated balance carried forward (—).....	—47,591	—49,660	—47,760
Financing applied to program.....	18,648	20,358	29,500

Summary of Sources and Application of Funds (in thousands of dollars)

Obligations (from program and financing).....	18,648	20,358	29,500
Increase (—) or decrease in gross unpaid obligations.....	1,273	1,520	—15
Gross expenditures.....	19,921	21,878	29,485
Revenues and other receipts (from program and financing).....	18,223	22,427	27,600
Increase (—) or decrease in accounts receivable, net.....	585	1,026	—180
Applicable receipts.....	18,808	23,453	27,420
Budget expenditures.....	1,114	—1,575	2,066

Purpose and financial organization.—The Federal Crop Insurance Corporation, a wholly owned Government Corporation, was created on February 16, 1938 (7 U.S.C. 1501–1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop

insurance and providing the means for the research and experience helpful in devising and establishing such insurance. The Corporation provides all-risk insurance protection to farmers against loss from unavoidable causes. Since 1948, the crop insurance program has been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the expansion of the program to a national basis. Based on past experience, the Corporation began with the 1962 crop year, to expand the crop insurance program at a more rapid rate to additional counties and commodities.

Capital stock of \$100 million is authorized to be subscribed by the United States. As of June 30, 1962, the Secretary of the Treasury held receipts for \$40 million of the authorized stock, leaving \$60 million unissued.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums for insurance protection afforded farmers on their investment in the production of insured crops. The principal payments from this fund are for indemnities to insured farmers who suffer crop losses arising from causes against which crop insurance provides protection, the direct cost of adjusting losses, and part of the operating and administrative expenses. The annual appropriation for the major portion of the operating and administrative expenses of the Corporation is presented earlier in the budget.

Budget program.—The Corporation plans to continue the accelerated expansion of the program to additional crops and counties. For the 1963 crop year (fiscal year 1964) the crop insurance program will be extended to 100 new counties, and insurance will be offered on 3 additional commodities. The following table indicates the scope of the insurance program planned for 1962, 1963, and 1964. Amounts in the 1962 column are actual and pertain to the 1961 crop year. The 1963 column pertains to the 1962 crop year and reflects the current favorable growing conditions for the 1962 insured crops. Indemnities shown in the 1964 column are estimated at 90% of the premium.

	1962 fiscal year (1961 crop year) actual	1963 fiscal year (1962 crop year) estimate	1964 fiscal year (1963 crop year) estimate
Number of states.....	38	38	38
Number of counties.....	890	995	1,096
Estimated insurance outstanding (in thou- sands), beginning of fiscal year.....	\$271,347	\$370,000	\$452,000
Number of crops insured.....	320,056	363,760	405,000
Premiums (in thousands).....	\$18,159	\$22,327	\$27,500
Indemnities (in thousands).....	\$16,084	\$15,904	\$24,700
Loss ratio.....	0.89	0.71	0.90

Financing.—Income from operations for the past 5 years will provide adequate operating funds for 1964, unless unforeseen losses should occur on the 1962 crop between now and the time of harvest. Therefore, no additional capital funds are now being requested for program operations. There follows a table of premiums and indemnities for 1957, 1958, 1959, 1960, and 1961.

[In thousands of dollars]			
	Premiums	Indemnities	Excess of premiums
1957.....	17,407	12,004	5,403
1958.....	17,617	4,505	13,112
1959.....	18,462	14,138	4,324
1960.....	17,797	10,316	7,481
1961.....	18,159	16,084	2,075
Total.....	89,442	57,047	32,395

Operating results and financial condition.—Current estimates for crop year 1962, fiscal year 1963, indicate a favorable loss ratio for the sixth consecutive year. Premiums of \$22.3 million are estimated to exceed indemnities by \$6.4 million. For the crop years 1948 through 1961, premium income of \$262.5 million exceeded indemnity costs of \$246.6 million by \$15.9 million. Premium income exceeded indemnity costs in 8 years of the 14 year period.

As of June 30, 1962, the Corporation's retained earnings level was \$7.6 million. The favorable loss experience which occurred the past 5 years is responsible for the current favorable financial condition of the Corporation.

The following table summarizes the insurance operations by commodities for 1962, 1963, and 1964.

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY
COMMODITIES

[Fiscal years ending June 30, 1962, 1963, and 1964—In thousands of dollars]

	1962 actual (1961 crop year)	1963 estimate (1962 crop year)	1964 estimate (1963 crop year)
Apples.....	-----	-----	25.0
Barley.....	—322.1	195.0	100.0
Beans.....	74.2	—181.0	19.0
Citrus.....	—389.4	611.0	64.0
Combined Crop.....	—199.0	218.0	74.0
Corn.....	2,113.5	—679.0	367.0
Cotton.....	—484.5	68.0	259.0
Flax.....	—119.8	92.0	62.0
Grain Sorghum.....	.4	36.0	14.0
Oats.....	—24.7	136.0	25.0
Peaches.....	9.1	—263.0	92.0
Peanuts.....	-----	179.0	107.0
Peas.....	-----	—214.0	97.0
Raisins.....	282.0	300.0	41.0
Rice.....	—3	7.0	9.0
Soybeans.....	371.4	545.0	136.0
Tobacco.....	1,502.5	744.0	337.0
Wheat.....	—737.8	4,659.0	882.0
Cherries.....	-----	-----	25.0
Potatoes.....	-----	—30.0	45.0
Tomatoes.....	-----	-----	20.0
Premiums over in- demnities.....	2,075.5	6,423.0	2,800.0
Inspection and loss adjust- ment costs (—).....	—649.3	—1,000.0	—1,100.0
Administrative expenses charged to premium in- come (—).....	—1,877.2	—3,080.0	—3,480.0
Proposed supplemental due to pay increases (—).....	-----	—195.0	-----
Other income or expense, net (—).....	26.4	—79.0	—120.0
Net income or loss (—).....	—424.6	2,069.0	—1,900.0

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Revenue.....	18,223	22,427	27,600
Expense.....	18,648	20,358	29,500
Net income or loss (—) for year.....	—425	2,069	—1,900
Analysis of retained earnings:			
Retained earnings, start of year.....	8,016	7,591	9,660
Retained earnings, end of year.....	7,591	9,660	7,760

FEDERAL CROP INSURANCE CORPORATION— Continued

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	50,348	49,235	50,810	48,744
Accounts receivable, net.....	4,289	3,705	2,679	2,859
Total assets.....	54,638	52,940	53,489	51,603
Liabilities:				
Current.....	6,622	5,348	3,828	3,843
Government equity:				
Non-interest-bearing capital.....	40,000	40,000	40,000	40,000
Retained earnings.....	8,016	7,591	9,660	7,760
Total Government equity.....	48,016	47,591	49,660	47,760

Analysis of Government Equity (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Unobligated balance (total Government equity).....	48,016	47,591	47,760

Note.—Excludes contingent liabilities representing estimated insurance coverage on 1962, 1963, and 1964 crops in the following amounts: 1962, \$370 million; 1963, \$452 million; and 1964, \$526 million.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Positions other than permanent.....	422	1,192	1,330
12 Personnel benefits.....	13	36	41
21 Travel and transportation of persons.....	269	790	862
23 Rent, communications, and utilities.....	3		
25 Other services:			
Agents' commissions and sales and servicing agreements.....	1,819	2,257	2,347
42 Insurance claims and indemnities.....	16,084	15,904	24,700
Undistributed.....	37	179	220
Total obligations.....	18,648	20,358	29,500

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Full-time equivalent of other positions.....	91	232	256
Average number of all employees.....	91	232	256
Number of employees at end of year.....	173	443	479

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Contract sales and servicing (costs—obligations).....	2	1	
Financing:			
Advances and reimbursements from other accounts.....	2	1	

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions.....	2		
31 Equipment.....		1	
Total obligations.....	2	1	

RURAL ELECTRIFICATION ADMINISTRATION

General and special funds:

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, [\$400,000,000] \$425,000,000, of which [\$100,000,000] \$75,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year [1963] 1964 under the then existing conditions for the expeditious and orderly development of the rural electrification [and rural telephone programs] program; and rural telephone program, [\$80,000,000] \$70,000,000. (Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Rural electrification.....	195,807	230,000	310,000
2. Rural telephone.....	97,237	100,000	100,000
Total program costs, funded.....	293,044	330,000	410,000
Change in selected resources ¹	59,881	115,000	35,000
Total obligations (object class 33).....	352,926	445,000	445,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts) (—).....	—35,151	—65,887	—27,887
Recovery of prior year obligations (—).....	—6,162		
Unobligated balance carried forward (authorization to expend from public debt receipts).....	65,887	27,887	2,887
Unobligated balance lapsing (authorization to expend from public debt receipts).....	30,000	73,000	75,000
New obligational authority (authorization to expend from public debt receipts).....	407,500	480,000	495,000

¹ Selected resources as of June 30 are as follows: Undisbursed loan obligations, 1961, \$869,390 thousand; (1962 adjustments, —\$6,162 thousand); 1962, \$923,110 thousand; 1963, \$1,038,110 thousand; 1964, \$1,073,110 thousand.

The Administration conducts two capital investment programs: (a) The rural electrification program to provide electric service to farms and other rural establishments; and (b) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making repayable loans are borrowed from the Secretary of the Treasury.

1. *Rural electrification.*—This capital investment program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for the purpose of financing the wiring of premises

and the acquisition and installation of electrical and plumbing appliances and equipment including machinery.

STATUS OF THE ELECTRIFICATION PROGRAM

Program Financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Loan funds available:			
New loan authorization (including reserves).....	245,000	400,000	425,000
Carryover from prior year.....	34,172	23,185	185
Rescissions of prior year loans.....	5,383		
Total loan funds available.....	284,555	423,185	425,185
Less—			
Loans approved or estimated.....	261,370	350,000	350,000
Reserve for additional loans.....		73,000	75,000
Balance to next year.....	23,185	185	185

Program Statistics

[Dollars in thousands]

Cumulative net loans.....	\$4,680,743	\$5,030,743	\$5,380,743
Cumulative funds advanced.....	\$3,960,104	\$4,190,104	\$4,500,104
Unadvanced funds, end of year.....	\$720,638	\$840,639	\$880,639
Cumulative principal, repaid.....	\$1,097,839	\$1,218,539	\$1,343,239
Cumulative interest paid.....	\$532,401	\$594,901	\$662,401
Cumulative miles energized (thousands).....	1,492	1,511	1,530
Cumulative consumers served (thousands).....	5,014	5,134	5,254
Number of borrowers.....	1,094	1,100	1,110

2. *Rural telephone.*—This capital investment program is financed through loans which are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

In 1950, when the telephone program started, the Census of Agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. Approximately 71% of the farms now have telephone service. Cumulative REA loans through June 30, 1962, will eventually provide initial or improved service to an estimated 1,753 thousand rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

Program Financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Loans funds available:			
New loan authorization (including reserves for 1962).....	162,500	80,000	70,000
Carryover from prior year.....	979	42,702	27,702
Rescissions of prior year loans.....	779		
Total loan funds available.....	164,258	122,702	97,702
Less—			
Loans approved or estimated.....	91,556	95,000	95,000
Reserve not used.....	30,000		
Balance to next year.....	42,702	27,702	2,702

Program Statistics

[Dollars in thousands]

Cumulative net loans.....	\$909,035	\$1,004,035	\$1,099,035
Cumulative funds advanced.....	\$706,564	\$806,564	\$906,564
Unadvanced funds, end of year.....	\$202,471	\$197,471	\$192,471
Cumulative principal repaid.....	\$44,241	\$57,941	\$73,841
Cumulative interest paid.....	\$37,025	\$52,425	\$70,425
Route miles of line constructed or improved, cumulative (thousands).....	293	329	364
Subscribers, new and improved service, cumulative (thousands).....	1,295	1,475	1,630
Number of borrowers.....	790	828	866

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
For the fiscal year:			
Lending operations:			
Interest income.....	69,041	72,445	77,145
Expense: Interest expense (statutory rates).....	67,797	70,690	75,180
Net difference.....	1,244	1,755	1,965
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	19,554	10,484	11,369
Cumulative to end of fiscal year:			
Lending operations:			
Interest income.....	724,735	797,180	874,325
Expense:			
Interest expense (statutory rates).....	662,373	733,063	808,243
Provision for possible losses on loans.....	9,090	9,090	9,090
Losses on foreclosed loans.....	44	44	44
Total expense.....	671,507	742,197	817,377
Net difference.....	53,228	54,983	56,948
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	154,385	164,869	176,238

¹ Includes adjustment of equipment depreciation for prior years.

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	11,966	8,999	9,476	10,589
Cash on hand.....	780	800	800	800
Loans and interest receivable, net.....	3,514,370	3,670,763	3,860,908	4,126,953
Travel advances and current receivables.....	100	103	103	103
Equipment, net.....		405	380	355
Total assets.....	3,527,216	3,681,070	3,871,667	4,138,800
Liabilities:				
Current.....	712	770	743	805
Trust and deposit.....	299	307	307	307
Total liabilities.....	1,011	1,077	1,050	1,112
Government equity:				
Borrowings from Treasury.....	3,331,588	3,483,707	3,672,598	3,937,729
Appropriated administrative funds, net.....	144,845	154,823	165,285	176,629
Appropriated loan funds, net.....	142,620	142,620	142,620	142,620
Net difference between income and expense.....	51,984	53,228	54,983	56,948
Administrative expenses (—).....	—144,832	—154,385	—164,869	—176,238
Total Government equity.....	3,526,205	3,679,993	3,870,617	4,137,688

Note.—Undisbursed loan commitments outstanding are as follows: June 30, 1961, \$869,390 thousand; 1962, \$923,110 thousand; 1963, \$1,038,110 thousand; 1964, \$1,073,110 thousand.

Proposed for separate transmittal:

LOAN AUTHORIZATIONS

Legislation will be proposed for the establishment of a "Rural Electrification Administration Loan Account" which will reflect the net cost of the loan programs by showing it as the excess of the aggregate of the loans to be made over the current receipts on loans previously made. The account will be budgeted on a net expenditure basis. Loan receipts are estimated to be \$151 million in 1964, adjusting new obligational authority as follows:

RURAL ELECTRIFICATION ADMINISTRATION—Continued

General and special funds—Continued

Proposed for separate transmittal—Continued

LOAN AUTHORIZATIONS—Continued

[In thousands of dollars]

Currently requested..... 495,000
Proposed revised estimate..... 344,000

Reduction in new obligational authority..... 151,000

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), **[\$10,024,000]** **\$11,344,000.** (5 U.S.C. 511-512; 7 U.S.C. 901-924; *Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Administration of rural electrification program.....	5,299	5,585	6,111
2. Administration of rural telephone program.....	4,658	4,877	5,233
Total program costs, funded ¹	9,958	10,462	11,344
Change in selected resources ²	27		
Total obligations.....	9,985	10,462	11,344
Financing:			
Unobligated balance lapsing.....	39		
New obligational authority.....	10,024	10,462	11,344
New obligational authority:			
Appropriation.....	10,024	10,024	11,344
Transferred to "Salaries and expenses, general administration" (76 Stat. 1212) (—).....		—2	
Appropriation (adjusted).....	10,024	10,022	11,344
Proposed transfer from "Special milk program, Agricultural Marketing Service," due to pay increases.....		440	

¹ Includes capital outlay as follows: June 30, 1962, \$37 thousand; 1963, \$45 thousand; 1964, \$60 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$14 thousand (1961 adjustments —\$7 thousand); 1962, \$34 thousand; 1963, \$34 thousand; 1964, \$34 thousand.

The Administration makes repayable loans for the extension and improvement of electric and telephone services in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security and to assure that construction and operation of their systems conform to approved standards and are adequate to provide continuous and reliable service.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	7,834	8,303	8,946
Positions other than permanent.....	39	40	43
Other personnel compensation.....	8	8	76
Total personnel compensation.....	7,881	8,351	9,065

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
12 Personnel benefits.....	594	625	679
21 Travel and transportation of persons.....	992	1,043	1,115
22 Transportation of things.....	37	35	35
23 Rent, communications, and utilities.....	143	135	135
24 Printing and reproduction.....	114	115	115
25 Other services.....	28	25	25
Services of other agencies.....	64	58	70
26 Supplies and materials.....	46	45	45
31 Equipment.....	54	30	60
42 Insurance claims and indemnities.....	32		
Total obligations.....	9,985	10,462	11,344

Personnel Summary

Total number of permanent positions.....	1,017	1,024	1,049
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	948	956	978
Number of employees at end of year.....	1,008	996	1,035
Average GS grade.....	9.6	9.7	9.7
Average GS salary.....	\$8,178	\$8,828	\$8,998

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Administration of rural electrification program.....	18	14	
2. Administration of rural telephone program.....	13	6	
3. Area redevelopment program (Commerce).....	169	339	380
Total program costs, funded—obligations.....	201	359	380
Financing:			
Advances and reimbursements from—			
Other accounts.....	195	356	380
Non-Federal sources (40 U.S.C. 481 (c)).....	6	3	
Total financing.....	201	359	380

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Positions other than permanent.....	150	283	305
Other personnel compensation.....			2
Total personnel compensation.....	150	283	307
12 Personnel benefits.....	11	21	23
21 Travel and transportation of persons.....	29	45	43
23 Rent, communications, and utilities.....	3	3	3
24 Printing and reproduction.....	1	2	2
26 Supplies and materials.....		1	1
31 Equipment.....	7	4	1
Total obligations.....	201	359	380

Personnel Summary

Average number of all employees.....	16	31	31
Number of employees at end of year.....	0	0	0
Average GS grade.....	9.6	9.7	9.7
Average GS salary.....	\$8,178	\$8,828	\$8,998

FARMERS HOME ADMINISTRATION

General and special funds:

RURAL HOUSING GRANTS AND LOANS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Rural housing loans and grants:			
(a) Enlargement and development loans	2	1,600	3,050
(b) Repair and improvement grants	63	1,600	2,957
2. Loans to the elderly	4,750	9,750	
3. Building loans	106,149	184,150	50,361
Total program costs, funded	106,214	192,100	66,118
Change in selected resources ¹	-9,769	-1,100	-218
Total obligations	96,445	191,000	65,900
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts) (-)	-427,612	-342,541	-201,541
Recovery of prior year obligations (-)	-1,374		
Unobligated balance carried forward (authorization to expend from public debt receipts)	342,541	201,541	135,641
New obligational authority:			
Appropriation	10,000		
Authorization to expend from public debt receipts		50,000	

¹ Selected resources as of June 30, are as follows: Unpaid undelivered orders, 1961, \$14,061 thousand (1962 adjustments, -\$1,374 thousand); 1962, \$2,918 thousand; 1963, \$1,818 thousand; 1964, \$1,600 thousand.

Rural housing direct loans are authorized by title V of the Housing Act of 1949, as amended, to be made to farm- and non-farm-owners of real estate in rural areas, to long-term farm leaseholders, and to elderly persons who are or will be owners of land in rural areas. Loans are made only to persons unable to obtain housing credit from other sources upon reasonable terms and conditions. Direct loans to individuals are repayable in not more than 33 years and bear interest at 4%. Grants are made for minor building repair. In addition to the direct loans

and grants, insured loans are made to provide housing for domestic farm labor, and to provide rental housing for elderly persons in rural areas.

1. *Rural housing loans and grants.*—Direct farm enlargement and development loans, along with building loans, are made to farmowners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Grants are made to farmowners, to owners of other real estate, and leaseholders in rural areas for such minor items as repairing roofs, providing sanitary facilities, providing a convenient and sanitary water supply, and supplying screens. In some cases, combination building loans and grants are made, but the loan, grant or combination may not exceed \$1 thousand.

2. *Loans to the elderly.*—Direct housing loans are made to elderly persons who own land or can buy a small tract in a rural area with loan funds.

3. *Building loans.*—Direct building loans are made to farmowners and to owners of other real estate to construct, improve, alter, repair, or replace dwellings and essential farm-service buildings.

Insured housing loans.—Insured loans are made through the Agricultural Credit Insurance Fund to farmowners or to organizations to provide modest living quarters and related facilities for domestic farm labor. These loans, made with funds advanced by private lenders, are repayable in not more than 33 years and bear interest not in excess of 5%. Annual payments of principal and interest to lenders are fully guaranteed. Insured loans are also made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost-rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders and insured through the Agricultural Credit Insurance Fund, are repayable in the number of years best suited to the individual case and bear interest at 5¼%. No loan may exceed \$100 thousand, Annual payments of principal and interest to lenders are fully guaranteed.

The Government retains at least one-half of 1% of the interest on insured loans as an insurance premium. The Administration services these insured loans, makes collections, and pays the lender.

[Dollars in thousands]

	1962 actual		1963 estimate		1964 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications	43,221		60,000		60,000	
Direct loans:						
1. Rural housing loans and grants:						
(a) Enlargement and development loans	2	\$2	400	\$2,000	580	\$2,900
(b) Repair and improvement grants	145	69	2,500	2,000	3,800	3,000
2. Loans to elderly individuals			590	5,000	1,200	10,000
3. Building loans	11,347	96,374	21,575	182,000	5,900	50,000
Insured loans:						
1. Farm labor housing loans	2	53	5	1,000	15	3,000
2. Insured loans for rental housing for the elderly			30	2,000	75	5,000

FARMERS HOME ADMINISTRATION—Continued**General and special funds—Continued****RURAL HOUSING GRANTS AND LOANS—Continued****COLLECTIONS OF PRINCIPAL AND INTEREST**

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Rural housing loans.....	27,844	38,000	50,500

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
33 Investments and loans.....	96,376	189,000	62,900
41 Grants, subsidies, and contributions.....	69	2,000	3,000
Total obligations.....	96,445	191,000	65,900

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 [(75 Stat. 307)] (7 U.S.C. 1921) as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); [\$34,582,000] \$39,367,000, together with not more than \$1,050,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended. (76 Stat. 631-632; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Administration of direct and insured loan programs (program costs, funded) ¹	35,390	36,768	40,417
Change in selected resources ²	26		
Total obligations.....	35,416	36,768	40,417
Financing:			
Comparative transfers to other accounts.....	125		
Advanced from the Agricultural credit insurance fund (—).....	—1,050	—1,050	—1,050
Unobligated balance lapsing.....	10		
New obligational authority.....	34,501	35,718	39,367
New obligational authority:			
Appropriation.....	34,517	34,582	39,367
Transferred to (—):			
“Operating expenses, Public Buildings Service,” General Services Administration (75 Stat. 353 and 76 Stat. 728).....	—16	—26	
“Salaries and expenses, general administration” (76 Stat. 1212).....		—20	
Appropriation (adjusted).....	34,501	34,536	39,367
Proposed transfer from “Reimbursements to Commodity Credit Corporation for costs of special milk program” due to pay increases.....		1,182	

¹ Includes capital outlay as follows: 1962, \$258 thousand; 1963, \$75 thousand; 1964, \$100 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust-ments	1962	1963	1964
Stores.....	97	---	130	130	130
Unpaid undelivered orders.....	68	—9	52	52	52
Total selected resources.....	165	—9	182	182	182

These moneys are used to administer the Farmers Home Administration loan programs including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers. Additional funds are separately requested to administer an insured rural housing loan program included under proposed legislation.

A supplemental estimate for 1963 is anticipated for separate transmittal.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	26,765	27,834	30,328
Positions other than permanent.....	742	948	1,054
Other personnel compensation.....	102	70	305
Total personnel compensation.....	27,609	28,852	31,687
12 Personnel benefits.....	2,092	2,177	2,410
21 Travel and transportation of persons.....	3,217	3,380	3,800
22 Transportation of things.....	128	125	130
23 Rent, communications, and utilities.....	1,556	1,674	1,800
24 Printing and reproduction.....	176	210	210
25 Other services.....	253	150	170
26 Supplies and materials.....	124	145	150
31 Equipment.....	261	55	60
Total obligations.....	35,416	36,768	40,417

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	4,678	4,526	4,749
Full-time equivalent of other positions.....	440	446	504
Average number of all employees.....	4,813	4,816	5,116
Number of employees at end of year.....	10,199	10,050	10,736
Average GS grade.....	6.7	6.8	6.8
Average GS salary.....	\$6,070	\$6,419	\$6,438

Proposed for separate transmittal:

SALARIES AND EXPENSES**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Administration of direct and insured loan programs (costs—obligations).....		270	5,350
Financing:			
New obligational authority (proposed supplemental appropriation).....		270	5,350

Under existing legislation, 1963.—A supplemental appropriation is anticipated to employ additional personnel and meet other costs in making loans for rural housing for the elderly authorized by the Senior Citizens Housing Act of 1962, Public Law 87-723; and for additional activity related to expansion of insured loan authority for real estate loans from \$150 million to \$200 million authorized by Public Law 87-798.

Under proposed legislation, 1964.—Supplemental funds will be needed to make and service loans under proposed legislation which would authorize the Secretary to insure rural housing loans made by private lenders. At present such rural housing loans are made from Federal funds. An additional \$5,350 thousand would be required to administer a total rural housing loan program of \$400 million (both direct and insured loans) in 1964.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$2,350,000. (76 Stat. 607.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Loans for rural renewal and demonstration projects.....			1,500
2. Technical assistance and operating expense.....			350
Total program costs, funded.....			1,850
Change in selected resources ¹			500
Total obligations.....			2,350
Financing:			
New obligatory authority (appropriation).....			2,350

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, \$0; 1964, \$500 thousand.

This program was authorized by section 102 of the Food and Agriculture Act of 1962. Loans will be made to local public agencies or groups for rural renewal development projects which are specifically related to conservation and land utilization. Each project will be an important component of the overall rural renewal plan previously developed to rebuild the economy of the designated area. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities. The area must also be one in which agriculture or forestry contribute substantially to the economy.

Program operations include selection and designation of rural renewal areas, technical assistance to local public bodies, or officials, or organizations in the preparation of an economic development plan, and counsel to local agencies and groups for meeting legal requirements necessary for borrowing funds. The borrowing agency will be designated by the State legislature or Governor to receive rural renewal loan funds and will be vested with authority under State and local laws to borrow funds, buy and sell property, raise revenue, meet financial obligations and transact other necessary business functions.

Rural renewal loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate for fiscal year 1963 is 2.936%. Loans in excess of \$250 thousand will require approval of the Agriculture and Forestry Committees of the Congress.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....			263
Other personnel compensation.....			2
Total personnel compensation.....			265
12 Personnel benefits.....			20
21 Travel and transportation of persons.....			52
23 Rent, communications, and utilities.....			6
24 Printing and reproduction.....			7
33 Investments and loans.....			2,000
Total obligations.....			2,350

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....			42
Average number of all employees.....			42
Number of employees at end of year.....			42
Average GS grade.....			6.8
Average GS salary.....			\$6,438

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
Funds Appropriated to the President, "Agency for International Development."
Agriculture, Soil Conservation Service:
"Flood prevention."
"Resource conservation and development."
"Watershed protection."

Public enterprise funds:

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 [(75 Stat. 307)] (7 U.S.C. 1921) as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, [\$50,000,000] \$60,000,000; and operating loans, [\$290,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during the fiscal year 1963 under the then existing conditions for the expeditious and orderly conduct of the loan program] \$300,000,000. (76 Stat. 631-632; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded:			
1. Interest on borrowings.....	9,000	11,000	12,500
2. Costs incident to security for loans.....	22	25	30
3. Provision for losses, current receivables.....	1,387	3,042	3,157
4. Other expense.....	3		
Total operating costs, funded.....	10,412	14,067	15,687
Capital outlay:			
1. Real estate loans:			
(a) Farm ownership loans.....	34,207	43,600	45,000
(b) Soil and water conservation loans.....	4,057	11,600	15,000
Total, real estate loans.....	38,264	55,200	60,000
2. Operating loans.....	274,969	300,060	300,000
Judgments and collateral acquired.....	122	72	71
Total capital outlay.....	313,355	355,332	360,071
Total program costs, funded.....	323,767	369,399	375,758
Change in selected resources ¹	12,214	-5,240	
Adjustment in selected resources (undisbursed loan obligations).....	-1,606		
Total obligations.....	334,375	364,159	375,758
Financing:			
New obligatory authority (authorization to expend from public debt receipts).....	326,000		
Revenues and other receipts:			
Repayments on loans.....	218,359	248,180	264,200
Proceeds from sale of acquired property.....	70	200	100
Payments on judgments.....	179	300	300
Interest revenue.....	37,798	42,535	47,024
Other revenue.....	29	55	60

FARMERS HOME ADMINISTRATION—Continued**Public enterprise funds—Continued****DIRECT LOAN ACCOUNT—Continued****Program and Financing (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
Financing—Continued			
Revenues and other receipts—Continued			
Adjustment of prior year revenue.....	31	-----	-----
Total revenues and other receipts.....	256,466	291,270	311,684
Unobligated balance brought forward.....	-----	276,753	203,864
Unobligated balance assumed at inception of fund.....	28,661	-----	-----
Unobligated balance carried forward(—).....	—276,753	—203,864	—139,790
Financing applied to program.....	334,375	364,159	375,758

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	334,375	364,159	375,758
Increase (—) or decrease in gross unpaid obligations.....	—12,234	5,240	-----
Unpaid obligations assumed at inception of fund.....	1,622	-----	-----
Gross expenditures.....	323,763	369,399	375,758
Revenues and other receipts (from program and financing).....	256,466	291,270	311,684
Increase (—) in accounts receivable, net.....	—32,987	—3,858	—5,372
Accounts receivable assumed at inception of Fund.....	28,661	-----	-----
Applicable receipts.....	252,141	287,412	306,312
Budget expenditures.....	71,622	81,987	69,446

Direct loan account.—This account was established on October 16, 1961, pursuant to section 338(c) of the Consolidated Farmers Home Administration Act of 1961. Loans are made under the authorities of subtitles A and B of the act to farmers unable to obtain credit from other sources at reasonable rates. Loans made under these and similar prior authorities are reported and accounted for in this account. In 1963, the total available for loans is \$350 million including a \$50 million reserve for operating loans to be used only to the extent required during the year under the then existing conditions for the expeditious and orderly conduct of the loan program, and also including \$10 million for operating loans made available by the Second Supplemental Appropriation Act, 1962. In 1964, it is proposed to carry out the estimated loan program of \$360 million through utilization of receipts to the Direct loan account representing collections on loans outstanding. No new borrowing authorization is estimated for 1964.

In addition to the direct loans, farm ownership and soil and water conservation loans advanced by private lenders will be insured within the annual statutory insurance authority of \$200 million for these purposes. Contingent liabilities for these insured loans are reflected in the Agricultural credit insurance fund schedules.

1. **Real estate loans**—a. **Farm ownership loans.**—Direct and insured loans are made to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land and water development, use and conservation, forestry development, recreational uses and facilities, refinancing existing indebtedness, and for loan closing costs. Loans are confined to farms which are not larger than family farms. A loan cannot exceed \$60 thousand in any case. In addition, the indebtedness against a farm or other security, including the amount of the loan, cannot exceed \$60 thousand or the normal value of the farm and any additional security.

FARM OWNERSHIP LOANS

[Dollars in thousands]

	1962 actual		1963 estimate		1964 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications..	41,532	-----	45,000	-----	50,000	-----
Direct loans.....	2,758	\$40,000	2,575	\$40,000	2,812	\$45,000
Insured loans.....	9,030	143,000	11,110	160,000	11,110	160,000

b. **Soil and water conservation loans.**—Direct and insured loans are made to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans to associations also are made for shifts in land use including the development of recreational facilities. Farms may be improved with loans to individual farmers. For loans to individuals, a loan cannot exceed \$60 thousand in any case; in addition the indebtedness against a farm or other security, including the amount of the loan, cannot exceed \$60 thousand or the normal value of the farm and any additional security. For loans to associations, the unpaid principal indebtedness is limited to \$500 thousand in the case of a direct loan and \$1 million in the case of an insured loan.

SOIL AND WATER CONSERVATION LOANS

[Dollars in thousands]

	1962 actual		1963 estimate		1964 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications..	2,403	-----	4,300	-----	6,000	-----
Direct loans:						
To individuals.....	519	\$2,204	680	\$2,900	550	\$2,500
To associations.....	69	6,753	66	7,100	125	12,500
Insured loans:						
To individuals.....	434	2,610	2,975	15,000	2,975	15,000
To associations.....	31	4,311	135	25,000	135	25,000

Loans are repayable in not more than 40 years and bear interest not in excess of 5%. Insured loans are made with funds advanced by private lenders. Annual payments of principal and interest to lenders are fully guaranteed. Lenders can receive up to 4½% interest of the 5% paid by the borrower. The Government retains at least one-half of 1 percent of the interest as an insurance premium. The Administration services these insured loans, makes collections; and pays the lender.

2. **Operating loans.**—Direct loans are made to farmers and ranchers for paying costs incident to reorganizing a farming system for more profitable operations; for a variety of essential farm operating expenses such as the purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for financing land and water development, use and conservation including recreational uses and facilities; for refinancing indebtedness; for other farm and home needs; and for loans closing costs. Loans

are confined to operators of not larger than family farms. The outstanding principal loan balance for operating loans is limited to \$35 thousand. Loans bear interest at 5% and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years. Loans are secured by crop and chattel liens and, when necessary, by real estate mortgages.

FARM OPERATING LOANS

	1962 actual	1963 estimate	1964 estimate
Number of applications.....	115,513	160,000	160,000
Number of loans.....	74,677	73,800	73,800
Amount of loans (thousands of dollars)....	\$275,000	\$300,000	\$300,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Operating program:			
Revenue.....	37,827	42,590	47,084
Expense.....	21,612	26,883	28,253
Net operating income.....	16,215	15,707	18,831
Nonoperating income or loss (—):			
Proceeds from sale of acquired property:			
Cash.....	70	200	100
Loans receivable.....	378	600	600
Total proceeds from sale.....	448	800	700
Net book value of assets sold (—).....	433	739	500
Net nonoperating income.....	15	61	200
Net income for the year.....	16,230	15,768	19,031
Analysis of retained earnings:			
Retained earnings, start of period.....		9,720	25,488
Deficit (—) assumed at inception of revolving fund (as adjusted on Oct. 20, 1961).....	—6,541		
Adjustment of prior year revenue.....	31		
Retained earnings, end of period.....	9,720	25,488	44,519

Financial Condition (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Assets:			
Treasury balance.....	256,000	174,013	104,567
Accounts receivable, net.....	32,987	36,845	42,217
Loans receivable, net.....	773,634	867,675	951,138
Property acquired through foreclosure.....	512	424	124
Land and improvements.....	93	93	93
Judgments, net.....	552	496	438
Total assets.....	1,063,778	1,079,546	1,098,577
Liabilities:			
Current.....	20	20	20
Government equity:			
Interest bearing capital:			
Start of year.....		597,959	597,959
Outstanding borrowings, net assumed at inception of revolving fund.....	271,959		
Borrowings from Treasury, net.....	326,000		
End of year.....	597,959	597,959	597,959
Non-interest-bearing capital:			
Start of year.....		456,079	456,079
Net assets assumed at inception of revolving fund (as adjusted on Oct. 20, 1961).....	456,079		
End of year.....	456,079	456,079	456,079
Retained earnings.....	9,720	25,488	44,519
Total Government equity.....	1,063,758	1,079,526	1,098,557

Analysis of Government Equity (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Undisbursed loan obligations ¹	12,214	6,974	6,974
Unobligated balance.....	276,753	203,864	139,790
Invested capital and earnings.....	774,791	868,688	951,793
Total Government equity.....	1,063,758	1,079,526	1,098,557

¹ The changes in this item are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
33 Investments and loans.....	325,375	353,159	363,258
43 Interest and dividends.....	9,000	11,000	12,500
Total obligations.....	334,375	364,159	375,758

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949 as amended (42 U.S.C. 1484; 76 Stat. 671), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, \$5,000,000.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Capital outlay: Loans made for rural housing for the elderly: (Funded—obligations (object class 33)).....		5,000	5,000
Financing:			
New obligational authority:			
Appropriation.....			5,000
Proposed for separate transmittal.....		5,000	
Revenues and other receipts:			
Interest revenues.....		10	263
Total revenue and other receipts.....		10	263
Unobligated balance brought forward.....			10
Unobligated balance carried forward.....		—10	—273
Financing applied to program.....		5,000	5,000

Summary of Sources and Application of Funds (in thousands of dollars)

		1963 estimate	1964 estimate
Obligations (from program and financing).....		5,000	5,000
Gross expenditures.....		5,000	5,000
Revenues and other receipts (from program and financing).....		10	263
Increase (—) in accounts receivable.....		—10	—263
Applicable receipts.....			
Budget expenditures.....		5,000	5,000

A supplemental appropriation for 1963 will be requested to initiate this program pursuant to the Senior Citizens Housing Act of 1962. Loans will be made under the authority of sec. 515(a) of title V of the Housing Act of 1949, as amended, to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the revolving fund, are repayable in not more than

FARMERS HOME ADMINISTRATION—Continued**Public enterprise funds—Continued****RURAL HOUSING FOR THE ELDERLY REVOLVING FUND—Continued**

50 years and bear interest comparable to housing loans for the elderly in urban areas (currently 3½%). Administrative expenses for this program are included under the appropriation item, Salaries and expenses, Farmers Home Administration.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Revenue.....		10	263
Expense ¹			
Net operating income.....		10	263
Net income for the year.....		10	263
Analysis of retained earnings:			
Retained earnings, start of year.....			10
Retained earnings, end of year.....		10	273

¹ Excludes administrative expenses borne by the salaries and expenses appropriation.

Financial Condition (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Assets:			
Accounts receivable.....		10	273
Loans receivable.....		5,000	10,000
Total assets.....		5,010	10,273
Government equity:			
Non-interest-bearing capital:			
Appropriation.....			10,000
Proposed appropriation for separate trans-		5,000	
mittal.....		10	273
Retained earnings.....			
Total Government equity.....		5,010	10,273

Analysis of Government Equity (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Unobligated balance.....		10	273
Invested capital and earnings.....		5,000	10,000
Total Government equity.....		5,010	10,273

EMERGENCY CREDIT REVOLVING FUND**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded:			
Administrative expenses.....	2,438	3,651	3,529
Interest and other expenses.....	532	620	551
Total operating costs, funded.....	2,970	4,271	4,080

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Capital outlay:			
Loans made:			
Emergency loans.....	61,204	61,000	46,500
Economic emergency loans and other.....	71		
Special livestock loans.....	1,201		
Judgments and collateral acquired.....	32	10	25
Total capital outlay.....	62,508	61,010	46,525
Total program costs, funded.....	65,478	65,281	50,605
Change in selected resources ¹	780		
Total obligations.....	66,258	65,281	50,605
Financing:			
Revenues and other receipts:			
Repayments on loans.....	27,887	50,095	44,475
Proceeds from sale of collateral.....	6		
Repayments on judgments.....	68	70	70
Revenue.....	2,038	2,892	3,413
Total revenues and other receipts.....	29,999	53,057	47,958
Unobligated balance brought forward.....	82,965	46,710	34,486
Recovery of prior year obligations.....	4		
Unobligated balance carried forward.....	-46,710	-34,486	-31,839
Financing applied to program.....	66,258	65,281	50,605

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	66,258	65,281	50,605
Increase (—) in gross unpaid obligations.....	-850		
Adjustment for recovery of prior year obligations (—).....	-4		
Gross expenditures.....	65,404	65,281	50,605
Revenues and other receipts (from program and financing).....	29,999	53,057	47,958
Increase (—) in accounts receivable, net.....	-36	-347	-406
Applicable receipts.....	29,963	52,710	47,552
Budget expenditures.....	35,441	12,571	3,053

The Consolidated Farmers Home Administration Act of 1961 (title III of Public Law 87-128) changed the name of the Disaster loan revolving fund to the Emergency credit revolving fund and repealed the previous legislation. The legislation continued the same principles of extending emergency credit to farmers and ranchers in the event of natural disasters in areas where agricultural credit is not readily available. Authority for economic emergency loans and for emergency assistance in furnishing feed and seed have been discontinued. Loans may be made to previously indebted borrowers to permit orderly repayment of such indebtedness.

Budget program—(a) Emergency loans.—Loans are made at 3% interest to farmers and ranchers and to domestic

corporations or partnerships engaged primarily in farming in any designated emergency area or to persons or corporations outside such areas who have suffered severe production losses not general to the area.

(b) *Other loans.*—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. Such advances are charged to the borrowers' accounts.

Administrative expenses.—The principal administrative expenses are related to the loan programs of the Farmers Home Administration. These expenses are estimated at \$3.6 million in 1963 and \$3.5 million in 1964. Administrative expenses for the Office of the General Counsel are estimated at \$29 thousand in each of the years 1963 and 1964.

Financing the budget program.—No new budgetary authorization is required for 1964. A net loss of \$2.2 million is estimated on an accrual basis. Net expenditures of \$3.0 million are anticipated on a cash basis due primarily to excess loans made over loan repayments during the year. During 1964, the program will be wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1964, consisting principally of interest on loans, is estimated at \$3.4 million, compared to expenses of \$5.5 million, resulting in an estimated loss of \$2.1 million. A net loss of \$3.3 million is estimated for 1963, and a net loss of \$2.9 million resulted in 1962.

Loans receivable, after allowance for losses, are expected to amount to \$81.4 million on June 30, 1964, as compared to \$80.9 million at June 30, 1963, and \$72 million on June 30, 1962.

The Government investment at June 30, 1964, is expected to be \$114.6 million consisting of \$205.8 million appropriated and donated, less a deficit of \$91.2 million.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Operating program:			
Revenue.....	2,038	2,892	3,413
Expense.....	4,990	6,239	5,574
Net operating loss (—).....	—2,952	—3,347	—2,161
Nonoperating loss (—):			
Proceeds from sale of collateral:			
Cash.....	6		
Loans receivable.....	43		
Total proceeds from sale of collateral.....	49		
Net book value of assets sold (—).....	—61		
Net nonoperating loss (—).....	—12		
Net loss (—) for the year.....	—2,963	—3,347	—2,161
Analysis of deficit (—):			
Deficit (—) start of year.....	—82,712	—85,676	—89,023
Deficit (—), end of year.....	—85,676	—89,023	—91,184

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	80,068	44,627	32,056	29,003
Accounts receivable, net.....	3,478	3,514	3,861	4,267
Loans receivable, net.....	39,509	72,036	80,928	81,425
Acquired security or collateral.....	53	32	17	2
Judgments, net.....	212	217	217	221
Total assets.....	123,320	120,426	117,079	114,918
Liabilities:				
Current.....	174	244	244	244
Government equity:				
Non-interest-bearing capital.....	205,858	205,858	205,858	205,858
Deficit (—).....	—82,712	—85,676	—89,023	—91,184
Total Government equity.....	123,146	120,182	116,835	114,674

Analysis of Government Equity (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Undisbursed loan obligations ¹	407	1,187	1,187	1,187
Unobligated balance.....	82,965	46,710	34,486	31,839
Invested capital and earnings.....	39,774	72,285	81,162	81,648
Total Government equity.....	123,146	120,182	116,835	114,674

¹ The changes in this item are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
FARMERS HOME ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	1,826	2,815	2,686
Positions other than permanent.....	212	350	350
Other personnel compensation.....	10	10	26
Total personnel compensation.....	2,048	3,175	3,062
12 Personnel benefits.....	148	243	234
21 Travel and transportation of persons.....	163	194	194
24 Printing and reproduction.....	28	8	8
25 Other services.....	2	2	2
33 Investments and loans.....	63,289	61,010	46,525
42 Insurance claims and indemnities.....	25		
Undistributed charges.....	531	620	551
Total obligations.....	66,234	65,252	50,576
ALLOTMENT ACCOUNTS			
11 Personnel compensation: Permanent positions (total personnel compensation).....	20	26	26
12 Personnel benefits.....	2	2	2
21 Travel and transportation of persons.....	1	1	1
24 Printing and reproduction.....	1		
Total allotment accounts.....	24	29	29
Total obligations.....	66,258	65,281	50,605
Obligations are distributed as follows:			
Farmers Home Administration.....	66,234	65,252	50,576
Agricultural Stabilization and Conservation Service.....	9		
Office of the General Counsel.....	15	29	29

FARMERS HOME ADMINISTRATION—Continued**Public enterprise funds—Continued****EMERGENCY CREDIT REVOLVING FUND—Continued****Personnel Summary**

	1962 actual	1963 estimate	1964 estimate
FARMERS HOME ADMINISTRATION			
Total number of permanent positions.....	332	493	493
Full-time equivalent of other positions.....	48	81	81
Average number of all employees.....	371	562	527
Number of employees at end of year.....	334	575	540
Average GS grade.....	6.7	6.8	6.8
Average GS salary.....	\$6,073	\$6,423	\$6,442
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	3	3	3
Average number of all employees.....	3	3	3
Number of employees at end of year.....	0	0	0
Average GS grade.....	7.8	8.9	8.9
Average GS salary.....	\$7,191	\$8,394	\$8,559

AGRICULTURAL CREDIT INSURANCE FUND**Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Capital outlay:			
Loans made:			
For payment of delinquent installments.....	2,211	3,200	4,000
Advances on behalf of borrowers.....	313	350	400
From fund for later sale.....	66,911	97,000	95,000
Purchase of loans from lenders.....	35,667	29,600	34,500
Disbursement of loan repayments to note holders.....	4,097	33,510	47,515
Collateral acquired by default.....	15	15	15
Judgments.....	5	5	5
Total capital outlay, funded.....	109,219	163,680	181,435
Operating costs, funded:			
Administrative expenses.....	1,050	1,050	1,050
Interest on borrowings.....	923	900	500
Other expense.....	28	53	68
Total operating costs, funded.....	2,001	2,003	1,618
Total program costs, funded.....	111,220	165,683	183,053
Change in selected resources ¹	2,794	-2,000	-----
Total obligations.....	114,014	163,683	183,053
Financing:			
Revenues and other receipts:			
Repayments on advances and loans held.....	4,244	5,600	7,400
Sale of loans.....	104,533	128,200	134,200
Loan repayments received on behalf of note holders.....	4,097	33,510	47,515
Proceeds from sale of acquired real estate.....	179	120	120
Insurance premiums.....	2,347	2,870	3,582
Interest revenue.....	942	1,000	1,000
Fees and other revenue.....	19	20	20
Total revenues and other receipts.....	116,361	171,320	193,837
Unobligated balance brought forward.....	3,370	-----	535
Undrawn balance and repayments to Treasury (-).....	-5,718	-7,102	-10,539
Unobligated balance carried forward (-).....	-----	-535	-780
Financing applied to program.....	114,014	163,683	183,053

¹ Balance of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	114,014	163,683	183,053
Increase (-) or decrease in gross unpaid obligations.....	-5,327	1,955	-60
Gross expenditures.....	108,687	165,638	182,993
Revenues and other receipts (from program and financing).....	116,361	171,320	193,837
Increase (-) in accounts receivable, net.....	-458	-24	-345
Applicable receipts.....	115,903	171,296	193,492
Budget expenditures.....	-7,216	-5,658	-10,499

This fund is used to insure farm ownership loans, soil and water conservation loans, farm labor housing loans and loans for rental housing for the elderly, as authorized by subtitle A of the Consolidated Farmers Home Administration Act of 1961, and sections 514 and 515(b) of title V of the Housing Act of 1949. The insurance endorsement on each insured loan includes an agreement by the Government to purchase the loan after a specified initial period of not less than 3 years, at the holder's option. The initial fund of \$1 million is supplemented by loan insurance charges collected from insured loan borrowers and by borrowing from the Secretary of the Treasury. A portion of such loan insurance charges equal to at least one-half of 1 percent of the outstanding principal obligations must be deposited to the fund to cover losses. The remainder of such charges may be used for administrative expenses. Loans other than farm labor housing loans may be made directly from the fund from available receipts or borrowings from the Treasury for the purpose of acquiring blocks of loans if there is reasonable assurance that the loans can be sold to investors without undue delay. Not more than \$25 million for farm ownership and soil and water conservation loans and not more than \$10 million for loans for rental housing for the elderly may be held in the fund at any one time. Interest paid the Secretary of the Treasury on borrowings is based on the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued for borrowings from the Treasury for operation of the fund.

Budget program.—Loan disbursements and purchases are estimated at \$181.4 million in 1964, an increase of \$17.7 million over 1963 and an increase of \$72.2 million over 1962. Included is \$97 million in 1963 and \$95 million in 1964 for making loans from the fund which will later be sold on an insured basis. The increase in 1963 and 1964 in sale of loans from the fund is expected to result from the relatively more favorable market for insured loans. Insured loans outstanding which are contingent liabilities against the insurance fund are expected to increase from \$315.8 million on June 30, 1962 to \$507 million at June 30, 1963, and to \$687 million by June 30, 1964.

Financing.—Net repayments to the Treasury in 1964 are estimated at \$10.5 million and in 1963 at \$6.8 million.

Operating results and retained earnings.—Total income, consisting principally of loan insurance charges is estimated at \$4.6 million in 1964, an increase of about \$712 thousand from 1963.

Outstanding loans receivable of \$20 million are estimated at June 30, 1964. Retained earnings, available to cover future losses, are estimated to be \$15.6 million at

the end of 1964. These earnings, when added to the \$1 million appropriation and estimated borrowings of \$6 million from the Treasury, represent a \$22.6 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITIES

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Farm ownership and soil and water conservation loans:			
Annual insurance authority.....	150,000	150,000	200,000
Increase in authorization (76 Stat. 908).....	-----	50,000	-----
Charges against insurance authority during the year:			
Loans insured.....	139,039	196,000	196,000
Commitments to insure pending advances by lenders.....	10,961	4,000	4,000
Total charges against authority....	150,000	200,000	200,000
Unused insurance authority.....	-----	-----	-----
Labor housing loans:			
Annual insurance authority.....	25,000	25,000	25,000
Charges against insurance authority during the year:			
Loans insured.....	3	1,000	3,000
Commitments to insure pending advances by lenders.....	50	-----	-----
Total charges against authority....	53	1,000	3,000
Unused insurance authority.....	24,947	24,000	22,000
Rental housing for the elderly:			
Loans insured.....	-----	2,000	5,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Revenue.....	3,308	3,890	4,602
Expense.....	2,037	2,023	1,638
Net operating income.....	1,271	1,867	2,964
Nonoperating income:			
Proceeds from sale of acquired property:			
Cash sales.....	179	120	120
Loans receivable.....	63	100	100
Total proceeds from sale.....	242	220	220
Net book value of assets sold (—).....	—238	—205	—205
Net nonoperating income.....	4	15	15
Net income for the year.....	1,274	1,882	2,979
Analysis of retained earnings, start of year.....	9,485	10,759	12,641
Retained earnings, end of year.....	10,759	12,641	15,620

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	1,115	2,362	1,170	1,130
Accounts receivable, net.....	2,781	3,239	3,263	3,608
Loans receivable, net.....	35,822	31,839	27,994	20,099
Judgments.....	5	18	53	88
Property acquired through foreclosure.....	159	261	316	371
Total assets.....	39,882	37,719	32,796	25,296
Liabilities:				
Current.....	7	2,540	2,585	2,645

Financial Condition (in thousands of dollars)—Continued

	1961 actual	1962 actual	1963 estimate	1964 estimate
Government equity:				
Interest-bearing capital:				
Start of year.....	35,465	29,390	23,420	16,570
Borrowings from Treasury, net.....	—6,075	—5,970	—6,850	—10,539
End of year.....	29,390	23,420	16,570	6,031
Non-interest-bearing capital.....	1,000	1,000	1,000	1,000
Retained earnings.....	9,485	10,759	12,641	15,620
Total Government equity.....	39,875	35,179	30,211	22,651

Analysis of Government Equity and Undrawn Authorizations (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Undisbursed loan obligations ¹	519	3,313	1,313	1,313
Unobligated balance.....	3,370	-----	535	780
Invested capital and earnings.....	35,986	32,118	28,363	20,558
Subtotal.....	39,875	35,431	30,211	22,651
Less undrawn authorizations.....	-----	252	-----	-----
Total Government equity.....	39,875	35,179	30,211	22,651

Note.—This statement excludes contingent liabilities for insured loans in principal amounts at June 30, 1962, \$315,835 thousand; at June 30, 1963, \$507,265 thousand; and \$687,095 thousand, at June 30, 1964.

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
25 Other services.....	1,058	1,058	1,058
33 Investments and loans.....	112,013	161,680	181,435
43 Interest and dividends.....	943	945	560
Total obligations.....	114,014	163,683	183,053

Proposed for separate transmittal:

RURAL HOUSING LOAN REVOLVING FUND

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Capital outlay: Loans disbursed. Total costs, funded—obligations (object class 33).....	-----	-----	200,000
Financing:			
New obligational authority (appropriation):			
Proposed for separate transmittal.....	-----	-----	100,000
Revenues and other receipts: Sale of loans.....	-----	-----	150,000
Unobligated balance carried forward (—).....	-----	-----	—50,000
Financing applied to program.....	-----	-----	200,000

Under proposed legislation, 1964.—Proposed legislation would amend title V of the Housing Act of 1949 to provide for a program of insured rural housing loans. Included in the legislation would be authority for the Federal National Mortgage Association to include these loans in its secondary market operations. A \$350 million level of insured housing loan activity is anticipated if the insured loan program becomes operative early in 1964. Families in the lower income levels would require an estimated \$250 million, and an estimated \$100 million would be needed for other applicants. In addition to the \$200 million in loans made from the proposed new fund

FARMERS HOME ADMINISTRATION—Continued

Public enterprise funds—Continued

Proposed for separate transmittal—Continued

RURAL HOUSING LOAN REVOLVING FUND—Continued

for later sale, it is expected that approximately \$150 million in loans from private sources will be insured. The legislation would also provide authority to insure the farm labor housing and rental housing for the elderly loans presently insured through the Agricultural Credit Insurance Fund. All of these loans would be made and serviced by the Farmers Home Administration.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Administration of direct and insured loan programs.....	145	251	250
2. Area Redevelopment Program (Commerce).....	135	339	382
Total program costs, funded.....	280	590	632
Change in selected resources ¹	1	-1	
Total obligations.....	281	589	632
Financing:			
Advances and reimbursements from—			
Other accounts.....	264	581	624
Non-Federal sources (40 U.S.C. 481(c)).....	17	8	8
Total financing.....	281	589	632

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$1 thousand; 1963, \$0; 1964, \$0.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	221	464	502
Other personnel compensation.....	2	2	4
Total personnel compensation.....	223	466	506
12 Personnel benefits.....	16	35	38
21 Travel and transportation of persons.....	15	54	54
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	9	18	18
24 Printing and reproduction.....	1		
25 Other services.....	1		
31 Equipment.....	15	15	15
Total obligations.....	281	589	632

Personnel Summary

Total number of permanent positions.....	26	38	44
Average number of all employees.....	32	56	61
Number of employees at end of year.....	26	38	44
Average GS grade.....	6.7	6.8	6.8
Average GS salary.....	\$6,070	\$6,419	\$6,438

OFFICE OF RURAL AREAS DEVELOPMENT

General and special funds:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Office of Rural Areas Development in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$134,000: Provided, That not to exceed \$3,000 shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Note.—Estimate is for activities previously carried under "Salaries and expenses," General Administration. The amount obligated in 1963 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Program coordination and direction (costs—obligations).....		88	134
Financing:			
Comparative transfers from other accounts (—).....		-88	
New obligational authority (appropriation).....			134

This Office provides leadership, coordination, liaison, and related services in the Rural Areas Development activities of the Department of Agriculture. It utilizes the resources of Department agencies in assisting State, local, private, community, and farm organizations and individuals working for the improvement of economic conditions in rural areas.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....		63	100
Other personnel compensation.....			1
Total personnel compensation.....		63	101
12 Personnel benefits.....		4	8
21 Travel and transportation of persons.....		17	21
23 Rent, communications, and utilities.....		1	1
24 Printing and reproduction.....		1	1
26 Supplies and materials.....		1	1
31 Equipment.....		1	1
Total obligations.....		88	134

Personnel Summary

Total number of permanent positions.....		6	9
Average number of all employees.....		5	8
Number of employees at end of year.....		6	9
Average GS grade.....		11.3	11.4
Average GS salary.....		\$10,948	\$11,029

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
For carrying out responsibilities and authorities delegated under Area Redevelopment Act, Commerce (costs—obligations).....	267	335	347
Financing:			
Advances and reimbursements from other accounts.....	269	335	347
Unobligated balance lapsing (—).....	—2		
Total financing.....	267	335	347

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	80	223	232
Other personnel compensation.....	90		2
Total personnel compensation.....	170	223	234
12 Personnel benefits.....	14	17	18
21 Travel and transportation of persons.....	38	65	65
22 Transportation of things.....		1	1
23 Rent, communications, and utilities.....	4	4	4
24 Printing and reproduction.....	6	9	9
25 Services of other agencies.....	19	10	10
26 Supplies and materials.....	4	2	2
31 Equipment.....	12	4	4
Total obligations.....	267	335	347

Personnel Summary

Total number of permanent positions.....	20	24	24
Average number of all employees.....	8	21	21
Number of employees at end of year.....	20	24	24
Average GS grade.....	11.6	11.3	11.4
Average GS salary.....	\$10,501	\$10,948	\$11,029

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in Funds Appropriated to the President, "Public works acceleration."

OFFICE OF THE GENERAL COUNSEL**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, [\$3,695,000] \$3,987,000. (5 U.S.C. 511–512, 518; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Credit, conservation, research, and staff legal services.....	2,041	2,079	2,147
2. Commodity credit and production adjustment programs.....	899	955	987
3. Marketing and regulatory laws.....	685	827	853
Total program costs, funded ¹.....	3,625	3,861	3,987
Change in selected resources ²	—3		
Total obligations.....	3,622	3,861	3,987

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing:			
Unobligated balance lapsing.....	27		
New obligational authority.....	3,649	3,861	3,987
New obligational authority:			
Appropriation.....	3,650	3,695	3,987
Transferred to (—):			
“Salaries and expenses,” general administration (76 Stat. 1212).....		—2	
“Operating expenses, Public Buildings Service,” General Services Administration (75 Stat. 353).....	—1		
Appropriation (adjusted).....	3,649	3,693	3,987
Proposed transfer from “Reimbursement to Commodity Credit Corporation for costs of special milk program” due to pay increases.....		168	

¹ Includes capital outlay as follows: 1962, \$46 thousand; 1963, \$40 thousand; 1964, \$40 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$24 thousand (1962 adjustments, —\$2 thousand); 1962, \$20 thousand; 1963, \$20 thousand; 1964, \$20 thousand.

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	3,028	3,268	3,379
Positions other than permanent.....	33	20	20
Other personnel compensation.....	4	5	3
Total personnel compensation.....	3,065	3,293	3,402
12 Personnel benefits.....	229	246	279
21 Travel and transportation of persons.....	112	113	110
22 Transportation of things.....	5	3	3
23 Rent, communications, and utilities.....	59	57	57
24 Printing and reproduction.....	19	31	24
25 Other services.....	20	26	20
Services of other agencies.....	13	12	12
26 Supplies and materials.....	40	40	40
31 Equipment.....	60	40	40
Total obligations.....	3,622	3,861	3,987

Personnel Summary

Total number of permanent positions.....	432	400	402
Full-time equivalent of other positions.....	6	3	3
Average number of all employees.....	392	397	384
Number of employees at end of year.....	402	400	400
Average GS grade.....	8.4	8.7	8.7
Average GS salary.....	\$7,695	\$8,394	\$8,559

OFFICE OF THE GENERAL COUNSEL—Continued

General and special funds—Continued

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
Agricultural Stabilization and Conservation Service, "Expenses."
Farmers Home Administration, "Emergency credit revolving fund."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS			
Program and Financing (in thousands of dollars)			
	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous services to other accounts (costs—obligations)-----	6	4	2
Financing:			
Advances and reimbursements from—			
Other accounts-----	4	2	
Non-Federal sources (40 U.S.C. 481(c))----	2	2	2
Total financing-----	6	4	2

Object Classification (in thousands of dollars)			
11 Personnel compensation: Permanent positions-----	4	1	
21 Travel and transportation of persons-----		1	
31 Equipment-----	2	2	2
Total obligations-----	6	4	2

Personnel Summary			
Total number of permanent positions-----	1		
Average number of all employees-----	1	1	
Number of employees at end of year-----	0	0	
Average GS grade-----	8.4	8.7	
Average GS salary-----	\$7,695	\$8,394	

OFFICE OF INFORMATION

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, **[\$1,610,000] \$1,684,000**, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty- **[three thousand] two thousand two hundred** and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (5 U.S.C. 511-512; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)			
	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Publications review and distribution-----	606	738	746
2. Review and distribution of current agricultural information-----	612	619	634
3. Review, preparation, and distribution of visual agricultural information-----	305	298	304
Total program costs, funded ¹ -----	1,523	1,655	1,684
Change in selected resources ² -----	64		
Total obligations-----	1,586	1,655	1,684
Financing:			
Unobligated balance lapsing-----	4		
New obligational authority-----	1,590	1,655	1,684
New obligational authority:			
Appropriation-----	1,590	1,610	1,684
Transferred to "Salaries and expenses," general administration (76 Stat. 1212) (—)-----		—1	
Appropriation (adjusted)-----	1,590	1,609	1,684
Proposed transfer from "Reimbursement to Commodity Credit Corporation for costs of special milk program" due to pay increases-----		46	

¹ Includes capital outlay as follows: 1962, \$6 thousand; 1963, \$26 thousand; 1964, \$6 thousand.
² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Publications consigned to Government					
Printing Office-----	157	---	160	160	160
Unpaid undelivered orders-----	248	—3	306	306	306
Total selected resources-----	405	—3	466	466	466

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, agricultural, and closely related groups, and to the public the Department's research, action, regulatory, and other programs, using all information media. This work is carried on in close cooperation with the land-grant institutions and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

1. *Publications review and distribution.*—The Department's printed publications are reviewed, published, and distributed. Processed publications are reviewed. Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. *Review and distribution of current agricultural information.*—The Department's widespread activities require extensive preparation of information material for press, radio and television use, as well as for specific agricultural outlets and the general public. Over 4,000 periodic crop, price, and market reports and press releases are issued annually. Digests, newsletters, special articles, and other editorial services are made available to press associations, farm and general publications, trade publications, daily newspapers, and encyclopedic annuals. Radio is used to reach farmers locally through single stations, and to broadcast nationally through the major networks. Films, television packages, and other services are prepared for the use of land-grant institutions, television farm broad-

casters and TV networks. Information campaigns involving activities of cross-agency interest are developed, using all media. The Yearbook of Agriculture is published by the Office and distributed by Members of Congress.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and nonprofit organizations associated with agriculture, produced on a reimbursable basis under the Department's Working capital fund, are distributed through nearly 75 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced for use in official publications. News and general-type photographs of Department programs and activities are available to news media from a centralized library. Exhibits are produced and supplied to State extension workers for their use in State exhibit showings and to fairs and other exhibitions on request.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	825	867	900
Positions other than permanent.....	6	6	6
Other personnel compensation.....	16	16	16
Total personnel compensation.....	847	889	922
12 Personnel benefits.....	62	65	67
21 Travel and transportation of persons.....	10	10	10
22 Transportation of things.....	3	3	3
23 Rent, communications, and utilities.....	81	81	99
24 Printing and reproduction.....	540	540	540
25 Other services.....	12	12	12
Services of other agencies.....	14	14	10
26 Supplies and materials.....	13	15	15
31 Equipment.....	4	26	6
Total obligations.....	1,586	1,655	1,684

Personnel Summary

Total number of permanent positions.....	136	136	136
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	127	127	127
Number of employees at end of year.....	135	137	137
Average GS grade.....	7.4	7.4	7.4
Average GS salary.....	\$6,613	\$7,070	\$7,154

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Change in selected resources ¹	102	—102	-----
Total obligations.....	320	64	53
Financing:			
Advances and reimbursements from—			
Other accounts.....	309	52	41
Non-Federal sources ²	11	12	12
Total financing.....	320	64	53

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$102 thousand; 1963, \$0; 1964, \$0.

² Reimbursements from non-Federal sources are derived from the sale of reproductions (7 U.S.C. 1387) and proceeds from the sale of personal property being replaced (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	72	28	22
Other personnel compensation.....	3	-----	-----
Total personnel compensation.....	75	28	22
12 Personnel benefits.....	6	2	2
21 Travel and transportation of persons.....	12	2	1
22 Transportation of things.....	2	1	1
24 Printing and reproduction.....	70	14	16
25 Other services.....	112	4	-----
Services of other agencies.....	26	11	11
26 Supplies and materials.....	15	2	-----
31 Equipment.....	2	-----	-----
Total obligations.....	320	64	53

Personnel Summary

Total number of permanent positions.....	13	4	3
Average number of all employees.....	13	4	2
Number of employees at end of year.....	10	3	3
Average GS grade.....	7.4	7.4	7.4
Average GS salary.....	\$6,613	\$7,070	\$7,154

CENTENNIAL OBSERVANCE OF AGRICULTURE

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Coordination with trade, industry, and commodity groups.....	46	34	-----
2. Additional printing costs of 1962 Yearbook of Agriculture.....	-----	20	-----
Total program costs, funded.....	46	54	-----
Change in selected resources ¹	23	—23	-----
Total obligations.....	69	31	-----
Financing:			
Unobligated balance brought forward (—).....	-----	—31	-----
Unobligated balance carried forward.....	31	-----	-----
New obligational authority (appropriation).....	100	-----	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$23 thousand; 1963, \$0; 1964, \$0.

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

Funds Appropriated to the President, "Agency for International Development," Agriculture:
Soil Conservation Service, "Great Plains conservation program."
"Working capital fund."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Review, preparation, and distribution of visual agricultural information.....	112	80	12
2. Centennial observance of agriculture.....	76	55	-----
3. Area redevelopment program, Commerce.....	30	31	41
Total program costs, funded.....	218	166	53

CENTENNIAL OBSERVANCE OF AGRICULTURE—Continued

General and special funds—Continued

SALARIES AND EXPENSES—Continued

This nonrecurring appropriation provided for planning and carrying out activities related to the centennial observance of the establishment of the Department of Agriculture and the founding of the land-grant colleges in 1862.

1. *Coordination with trade, industry, and commodity groups.*—A program for the participation by agricultural trade, industry, and commodity groups in the centennial observance was developed and coordinated by the Department of Agriculture. This part of the centennial observance was in addition to, and coordinated with, centennial activities carried out directly by the Department, the land-grant institutions, and other governmental agencies. The trade, industry, and commodity groups financed the costs of the activities in which they participated.

2. *Additional printing costs of the 1962 Yearbook of Agriculture.*—The 1962 Yearbook of Agriculture commemorated the centennial year since the establishment of the Department of Agriculture. In dealing with the Department's role in agriculture over the past century, the higher costs of the yearbook, above those provided under Salaries and expenses, Office of Information were paid from this item.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions.....	21	10	-----
12 Personnel benefits.....	1	1	-----
21 Travel and transportation of persons.....	1	-----	-----
23 Rent, communications, and utilities.....	1	-----	-----
24 Printing and reproduction.....	28	10	-----
25 Other services.....	9	10	-----
Services of other agencies.....	6	-----	-----
26 Supplies and materials.....	1	-----	-----
31 Equipment.....	1	-----	-----
Total obligations.....	69	31	-----

Personnel Summary

Total number of permanent positions.....	3	3	-----
Average number of all employees.....	3	1	-----
Number of employees at end of year.....	3	0	-----
Average GS grade.....	10.7	10.7	-----
Average GS salary.....	\$8,389	\$8,389	-----

NATIONAL AGRICULTURAL LIBRARY

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, **[\$1,153,500] \$1,695,000.** (5 U.S.C. 83, 511-512, 514, 516, 552a; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Agricultural library services (program costs, funded) ¹	1,013	1,186	1,695
Change in selected resources ²	12	-----	-----
Total obligations.....	1,025	1,186	1,695
Financing:			
Unobligated balance lapsing.....	4	-----	-----
New obligational authority.....	1,028	1,186	1,695
New obligational authority:			
Appropriation.....	1,028	1,154	1,695
Transferred to "Salaries and expenses," general administration (76 Stat. 1212) (—).....	-----	—1	-----
Appropriation (adjusted).....	1,028	1,153	1,695
Proposed transfer from "Reimbursement to Commodity Credit Corporation for costs for special milk programs" due to pay increases.....	-----	33	-----

¹ Includes capital outlay as follows: 1962, \$7 thousand; 1963, \$7 thousand; 1964, \$7 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$19 thousand (1962 adjustments, —\$3 thousand); 1962, \$28 thousand; 1963, \$28 thousand; 1964, \$28 thousand.

The National Agricultural Library, cooperating jointly with the two other national libraries—the Library of Congress and the National Library of Medicine—provides coverage and servicing of worldwide publications in the agricultural, chemical, and biological sciences. It serves the research, extension, regulatory, and other programs of the Department and State agricultural agencies. It contains approximately 1,200,000 volumes, probably the most extensive agricultural collection in existence. Since the Library's primary purpose is to provide for research needs, substantive publications in the animal sciences, plant sciences, agricultural chemistry, agricultural engineering, soils, forestry, agricultural products, home economics, world sociology, agricultural economics, and agricultural statistics are acquired and preserved. Publications are regularly acquired from more than 50 countries on subjects ranging from apiculture to zootomy. In addition, printed information of agricultural societies, organizations, cooperatives, and general material in the field of agriculture are collected and made available for use.

Information contained in the agricultural literature is disseminated through bibliographies, loans, photocopies and reference services to agricultural colleges and universities, research institutions, Government agencies, agricultural associations, industry, individual scientists, farmers, and the general public in every part of the world.

During 1962, 13,043 volumes and 234,744 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 238,064 loans of books and periodicals were made and 96,893 reference questions answered.

The increase proposed for 1964 would be used to provide faster and more specialized services to agricultural scientists through automation, and to increase purchasing,

processing and maintenance of essential published source material.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	795	929	1,253
Positions other than permanent.....	3	3	3
Other personnel compensation.....	3	6	16
Total personnel compensation.....	801	938	1,272
12 Personnel benefits.....	59	71	98
21 Travel and transportation of persons.....	6	9	10
23 Rent, communications, and utilities.....	11	11	13
24 Printing and reproduction.....	20	24	24
Binding.....	36	39	85
25 Other services.....	2	2	2
Services of other agencies.....	10	9	80
26 Supplies and materials.....	11	12	15
31 Equipment.....	69	71	96
Total obligations.....	1,025	1,186	1,695

Personnel Summary

Total number of permanent positions.....	156	180	233
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	136	154	201
Number of employees at end of year.....	151	174	226
Average GS grade.....	6.4	6.3	6.5
Average GS salary.....	\$5,798	\$6,099	\$6,154

LIBRARY FACILITIES

For the preparation of plans, specifications, and drawings for the National Agricultural Library, \$450,000 to remain available until expended (5 U.S.C. 565a).

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Plans and specifications (costs—obligations) (object class 25).....			450
Financing:			
New obligational authority (appropriation).....			450

Present facilities are adequate to house less than half of the 1,200,000 volumes in the National Agricultural Library collection. The construction of new library facilities will enable the National Agricultural Library to properly preserve its collection and provide complete efficient services to the Nation's scientists. The proposed appropriation would be used for the preparation of necessary plans, specifications, and drawings for the new facilities.

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows: Funds Appropriated to the President, "Agency for International Development," Agriculture, "Working capital fund."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, Farm Credit Administration, and National Science Foundation) (program costs, funded).....	102	85	89
Change in selected resources ¹	3		
Total obligations.....	105	85	89
Financing:			
Advances and reimbursements from other accounts.....	105	85	89

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$7 thousand; (1962 adjustments, -\$1 thousand); 1962, \$9 thousand; 1963, \$9 thousand; 1964, \$9 thousand.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	79	67	71
Positions other than permanent.....	7		
Other personnel compensation.....			1
Total personnel compensation.....	86	67	72
12 Personnel benefits.....	5	5	5
21 Travel and transportation of persons.....	1	1	
24 Printing and reproduction.....	2		1
26 Supplies and materials.....	1	1	1
31 Equipment.....	10	10	10
Total obligations.....	105	85	89

Personnel Summary

Total number of permanent positions.....	17	12	12
Full-time equivalent of other positions.....	1		
Average number of all employees.....	15	12	12
Number of employees at end of year.....	15	12	12
Average GS grade.....	6.4	6.3	6.5
Average GS salary.....	\$5,798	\$6,099	\$6,154

GENERAL ADMINISTRATION

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture [; \$3,341,000] \$3,975,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001): *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary [; *Provided further*, That not to exceed

GENERAL ADMINISTRATION—Continued

General and special funds—Continued

SALARIES AND EXPENSES—Continued

\$225,000 shall be transferred by the Secretary from other appropriations available to the Department of Agriculture for the expenses of the Office of Internal Audit and Inspection]. (5 U.S.C. 511-517; secs. 511-512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U.S.C. 563-564), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U.S.C. 520a, 542-1, 543b, 1001, 2131; Department of Agriculture and Related Agencies Appropriation Act, 1963.)

Note.—Excludes \$134 thousand for activities transferred in the estimates to "Salaries and expenses, Office of Rural Areas Development." The amount obligated in 1963 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Program and policy direction and coordination:			
(a) Office of the secretary and under secretary	395	458	588
(b) Assistant secretaries	242	256	339
2. Budgetary and financial administration	628	698	727
3. General operations	729	780	810
4. Internal audit, inspection, and investigations	161	415	453
5. Management appraisal and systems development	50	125	157
6. Personnel administration	635	673	773
7. Regulatory hearings and decisions	173	190	201
8. National Agricultural Advisory Commission	22	27	27
Total program costs, funded ¹	3,035	3,622	4,075
Change in selected resources ²	12		
Total obligations	3,047	3,622	4,075
Financing:			
Comparative transfers to other accounts		88	
Advances and reimbursements (—)			
For emergency preparedness functions			—100
From other accounts		—46	
Unobligated balance lapsing	49		
New obligational authority	3,096	3,664	3,975
New obligational authority:			
Appropriation	3,096	3,341	3,975
Transferred from (76 Stat. 1212):			
"Salaries and expenses," Agricultural Research Service		3	
"Cooperative extension work, payments and expenses," Extension Service		2	
"Conservation operations," Soil Conservation Service		4	
"Salaries and expenses," Economic Research Service		5	
"Salaries and expenses," Statistical Reporting Service		6	
"Marketing research and service," Agricultural Marketing Service		7	
"Special milk program," Agricultural Marketing Service		3	
"School lunch program," Agricultural Marketing Service		7	
"Removal of surplus agricultural commodities," Agricultural Marketing Service		27	
"Salaries and expenses," Foreign Agricultural Service		1	
"Expenses," Agricultural Stabilization and Conservation Service		79	
"Operating and administrative expenses," Federal Crop Insurance Corporation		2	
"Salaries and expenses," Rural Electrification Administration		2	

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
New obligational authority—Continued			
Transferred from (76 Stat. 1212)—Continued			
"Salaries and expenses," Farmers Home Administration		20	
"Salaries and expenses," Office of the General Counsel		2	
"Salaries and expenses," Office of Information		1	
"Salaries and expenses," National Agricultural Library		1	
"Forest protection and utilization," Forest Service		7	
Appropriation (adjusted):			
Current	3,096	3,493	3,975
Permanent		27	
Proposed transfer from "Reimbursement to Commodity Credit Corporation for costs of special milk program," due to pay increases		144	

¹ Includes capital outlay as follows: 1962, \$32 thousand; 1963, \$23 thousand; 1964, \$23 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$11 thousand (1962 adjustments, \$2 thousand); 1962, \$25 thousand; 1963, \$25 thousand; 1964, \$25 thousand.

General administration covers the overall planning, coordination and administration of the Department's programs. Also included are certain services on a departmentwide basis. Increases are provided in the budget to strengthen the staffs of the Office of the Secretary, and several of the service functions, including the newly established Office of the Inspector General.

2. *Budgetary and financial administration.*—This covers departmental budgetary and financial management. Policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial and related implications.

3. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply and records management activities. Administrative services are provided for the Office of the Secretary and staff offices, and central services of post office, telephone, telegraph, reproduction and supply are furnished.

4. *Internal audit, inspection, and investigations.*—This covers the activities of the Office of the Inspector General who is responsible for: (a) assuring that existing laws, policies and programs are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary; (b) insuring prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules or regulations has developed; and (c) coordinating and correlating all internal audit, inspection, and investigative activities within the Department and with various investigative agencies of the executive and legislative branches of the Government.

5. *Management appraisal and systems development.*—This covers the coordination and direction of the development of new and improved management techniques, acquisition and utilization of data processing equipment, development of methods of measuring the effectiveness of program operations, and the application of operations research techniques to the administrative, program and scientific activities of the Department.

6. *Personnel administration.*—Departmental policies and procedures are promulgated for the personnel management

program. The operational phases of this program have been substantially delegated to the agencies. A systematic review is conducted to insure unification thereof and to measure its effectiveness in serving the agencies' personnel management requirements.

7. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. Agriculture Decisions is published monthly.

8. *National Agricultural Advisory Commission.*—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	2,362	2,964	3,318
Positions other than permanent.....	13	7	5
Other personnel compensation.....	19	12	37
Total personnel compensation.....	2,394	2,983	3,360
12 Personnel benefits.....	176	225	254
21 Travel and transportation of persons.....	133	157	178
22 Transportation of things.....	4	3	3
23 Rent, communications, and utilities.....	69	54	57
24 Printing and reproduction.....	110	96	104
25 Other services.....	9	6	7
Services of other agencies.....	76	50	55
26 Supplies and materials.....	32	24	25
31 Equipment.....	45	24	32
Total obligations.....	3,047	3,622	4,075

Personnel Summary

Total number of permanent positions.....	320	350	372
Full-time equivalent of other positions.....	3	1	1
Average number of all employees.....	293	337	359
Number of employees at end of year.....	300	350	372
Average GS grade.....	8.4	7.4	7.5
Average GS salary.....	\$7,648	\$7,068	\$7,207

Proposed for separate transmittal:

DEFENSE FOOD STOCKPILING

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Commodity costs.....			24,450
2. Transportation and storage.....			4,562
3. Operating expenses.....			988
Total program costs, funded—obligations.....			30,000
Financing:			
New obligatory authority (proposed supplemental appropriation).....			30,000

Under proposed legislation, 1964.—Legislation is being proposed to provide for the stockpiling, storage and dis-

tribution of essential foodstuffs, including wheat and feed grains, to meet emergency defense needs.

The legislation would authorize the Secretary to utilize the Commodity Credit Corporation and other means available to him in maintaining the stockpiles. Ready-to-prepare foods, whether or not acquired initially by CCC in its price support operations, would be purchased with the appropriation made for the stockpile. To prevent loss through deterioration, these items would be rotated through the direct distribution programs to the maximum extent practicable on an exchange basis. Wheat and feed grains would continue to be owned by CCC with the stockpile appropriation bearing extra costs of relocation to deficit production and probable disaster areas, and of maintenance.

If the legislation is enacted, the \$30 million appropriation requested for 1964 would permit orderly first steps to initiate the program at a level that could be effectively integrated with present related programs of the Department and also provide for development and testing of storage life, rotation period to maintain quality, methods of prolonging storage, and related matters.

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note—Obligations incurred under allocations from other accounts are included in Office of Emergency Planning, "Salaries and expenses."

Intragovernmental funds:

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded:			
1. Supply and other central service programs:			
Cost of goods sold.....	415	455	455
Other.....	451	476	476
2. Reproduction services program:			
Cost of goods sold.....	399	400	400
Other.....	731	735	735
3. Motion picture, photographic, and other visual information service program:			
Cost of goods sold.....	221	237	240
Other.....	1,130	1,293	1,293
4. Automatic data processing services program: Cost of service.....	121	1,639	1,876
Total operating costs, funded.....	3,469	5,235	5,475
Capital outlay:			
Purchase of equipment:			
1. Supply and other central service programs.....	1		15
2. Reproduction services program.....	51	15	
3. Motion picture, photographic, and other visual information services program.....	17	50	50
4. Automatic data processing services program.....	3	7	7
Total capital outlay.....	72	72	72
Total program costs, funded.....	3,541	5,307	5,547
Change in selected resources ¹	37	-12	-10
Total obligations.....	3,578	5,295	5,537

GENERAL ADMINISTRATION—Continued**Intragovernmental funds—Continued****WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.****Program and Financing (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
Financing:			
Revenues and other receipts:			
1. Supply and other central service programs: Revenue.....	874	940	940
2. Reproduction services program: Revenue.....	1,198	1,152	1,152
3. Motion picture, photographic, and other visual information service program: Revenue.....	1,413	1,568	1,568
4. Automatic data processing services program: Revenue.....	121	1,641	1,878
5. Undistributed receipts: Proceeds from sale of equipment.....	4		
Total revenues and other receipts.....	3,611	5,301	5,538
Unobligated balance brought forward.....	255	1,089	1,091
Adjustment for unfilled customers orders, unrecorded.....	801		
Change in unfilled customers orders.....		-3	
Unobligated balance carried forward (-).....	-1,089	-1,091	-1,092
Financing applied to program.....	3,578	5,295	5,537

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	3,578	5,295	5,537
Increase (-) or decrease in gross unpaid obligations.....	-224	20	15
Gross expenditures.....	3,354	5,315	5,552
Revenues and other receipts (from program and financing).....	3,611	5,301	5,538
Increase (-) in accounts receivable, net.....	-85	-14	-14
Applicable receipts.....	3,526	5,287	5,524
Budget expenditures.....	-172	28	28

This fund finances on a reimbursable basis certain central services in the Department of Agriculture, including duplicating, photographic, art and graphics, motion picture, tabulating, supply, library photocopying services, and employee training programs conducted by departmental staff offices. The capital consists of \$400 thousand appropriated (5 U.S.C. 542-1) and \$526 thousand donated assets, as of June 30, 1962. Earnings are retained to furnish adequate working capital.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Supply and other central services program:			
Revenue.....	874	940	940
Expense.....	871	937	938
Net operating income, supply and other central services program.....	3	3	2

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Reproduction services program:			
Revenue.....	1,198	1,152	1,152
Expense.....	1,155	1,152	1,152
Net operating income, reproduction services program.....	43		
Motion picture, photographic, and other visual information services program:			
Revenue.....	1,413	1,568	1,568
Expense.....	1,380	1,568	1,568
Net operating income, motion picture, photographic, and other visual information services program.....	33		
Automatic data processing services program:			
Revenue.....	121	1,641	1,878
Expense.....	121	1,641	1,878
Net operating income or loss (-), automatic data processing services program.....			
Nonoperating loss (-):			
Proceeds from sale of equipment.....	4		
Net book value of assets sold (-).....	-6		
Net nonoperating loss.....	-2		
Net income for the year.....	78	3	2
Analysis of retained earnings: Retained earnings, start of year.....	111	188	191
Retained earnings, end of year.....	188	191	193

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	301	473	445	416
Accounts receivable, net.....	540	625	639	653
Selected assets: ¹				
Advances.....	4	13	13	13
Commodities for sale.....	286	295	288	278
Supplies, deferred charges, etc.....	17	18	18	18
Fixed assets, net.....	385	393	405	416
Total assets.....	1,535	1,817	1,808	1,795
Liabilities:				
Current.....	498	703	688	673
Government equity:				
Non-interest-bearing capital:				
Start of year.....	923	925	926	929
Donated assets, net.....	3		3	
End of year.....	925	926	929	929
Retained earnings.....	111	188	191	193
Total Government equity.....	1,036	1,114	1,120	1,122

Analysis of Government Equity (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Unpaid undelivered orders ¹	89	108	103	103
Unobligated balance.....	255	1,089	1,091	1,092
Unfilled customers orders.....		-801	-798	-798
Invested capital and earnings.....	694	719	724	725
Total Government equity.....	1,036	1,114	1,120	1,122

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
GENERAL ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	793	1,517	1,977
Other personnel compensation.....	20	43	44
Deduct excess of annual leave taken over leave earned.....	3		
Total personnel compensation.....	810	1,560	2,021
12 Personnel benefits.....	60	114	149
21 Travel and transportation of persons.....	6	31	19
22 Transportation of things.....	1	20	7
23 Rent, communications, and utilities.....	151	167	186
24 Printing and reproduction.....	88	96	91
25 Other services.....	5	15	8
Services of other agencies.....	86	823	616
26 Supplies and materials.....	881	808	773
31 Equipment.....	47	22	23
Total.....	2,135	3,656	3,893
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	768	870	892
Positions other than permanent.....	4	5	5
Other personnel compensation.....	37	40	40
Excess of annual leave earned over leave taken.....	4		
Total personnel compensation.....	813	915	937
12 Personnel benefits.....	58	66	68
21 Travel and transportation of persons.....	38	48	48
22 Transportation of things.....	4	10	10
23 Rent, communications, and utilities.....	6	6	6
24 Printing and reproduction.....	17	20	20
25 Other services.....	210	184	161
Services of other agencies.....	25	40	40
26 Supplies and materials.....	250	300	304
31 Equipment.....	21	50	50
Total allotment accounts.....	1,443	1,639	1,644
Total obligations.....	3,578	5,295	5,537
Obligations are distributed as follows:			
General Administration.....	2,135	3,656	3,893
Office of Information.....	1,405	1,600	1,605
National Agricultural Library.....	38	39	39

Personnel Summary

GENERAL ADMINISTRATION			
Total number of permanent positions.....	172	397	397
Average number of all employees.....	151	271	380
Number of employees at end of year.....	169	397	397
Average GS grade.....	8.4	7.4	7.5
Average GS salary.....	\$7,648	\$7,068	\$7,207
Average salary of ungraded positions.....	\$5,039	\$5,045	\$5,179
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	121	135	135
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	117	131	131
Number of employees at end of year.....	123	136	136
Average GS grade.....	6.9	6.8	7.0
Average GS salary.....	\$6,205	\$6,584	\$6,654

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture.....	66	103	32
Other agencies.....	20	21	30
Total program costs, funded—obliga- tions.....	86	124	62
Financing:			
Advances and reimbursements from other accounts.....	86	124	62

Object Classification (in thousands of dollars)

11 Personnel compensation: Permanent po- sitions.....	48	31	39
12 Personnel benefits.....	4	2	2
21 Travel and transportation of persons.....	30	90	20
24 Printing and reproduction.....	1	1	1
25 Services of other agencies.....	3		
Total obligations.....	86	124	62

Personnel Summary

Total number of permanent positions.....	4	5	5
Average number of all employees.....	4	4	4
Number of employees at end of year.....	0	0	0
Average GS grade.....	8.4	7.4	7.5
Average GS salary.....	\$7,648	\$7,068	\$7,207

FOREST SERVICE

The Service carries on three primary functions: (a) Protection, development, and use of about 186,000,000 acres of land in national forests and national grasslands in the United States and Puerto Rico; (b) research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to improve methods for developing and managing recreation resources; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey; and (c) cooperation with States and private forest land-owners to obtain better fire protection on approximately 450,000,000 acres of forest land and nonforest watersheds, and better forest practices on about 358,000,000 acres of privately owned commercial timberlands, to encourage reforestation and stimulate development and management of State, county, and community forests. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and exchange, and a number of cooperative projects.

FOREST SERVICE—Continued

General and special funds:

FOREST PROTECTION AND UTILIZATION

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-Federal lands; **[\$139,400,000] \$150,656,000**, of which \$5,000,000 for fighting and preventing forest fires and \$1,910,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided*, That not more than \$500,000 may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513-519): *Provided further*, That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; **[\$24,835,000] \$23,798,000**.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; **[\$15,830,000] \$15,943,000**. (5 U.S.C. 511-512, 524, 565a; 7 U.S.C. 428a, 1010-1012, 1621-1627; 16 U.S.C. 207c, 471-583i, 594-1-594-5, 594a; 30 U.S.C. 601-604, 611-615; 31 U.S.C. 534; 43 U.S.C. 1181h-1181j; 36 Stat. 557; 76 Stat. 605-609, 631-632; Department of the Interior and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Forest land management:			
(a) National forest protection and management.....	108,893	123,614	133,875
(b) Fighting forest fires.....	36,980	5,000	5,000
(c) Insect and disease control.....	9,482	10,570	10,763
(d) Acquisition of lands.....	74	500	500
Total, forest land management.....	155,429	139,684	150,138
2. Forest research:			
(a) Forest and range management.....	9,554	10,449	10,781
(b) Forest protection.....	3,340	4,870	5,026
(c) Forest products and engineering.....	4,251	4,870	5,052
(d) Forest resource economics.....	2,508	2,866	2,957
(e) Forest research construction.....	1,742	4,250	1,656
Total, forest research.....	21,395	27,305	25,472
3. State and private forestry cooperation:			
(a) Forest fire control.....	12,112	12,491	12,514
(b) Forest tree planting.....	344	298	300
(c) Forest management and processing.....	2,210	2,509	2,518
(d) General forestry assistance.....	463	580	681
Total, State and private forestry cooperation.....	15,129	15,878	16,013
Total program costs for year's program.....	191,953	182,867	191,623
4. Repayment to "Expenses, brush disposal" of prior year's advance for fighting forest fires.....	2,838		
Total program costs, funded ¹	194,791	182,867	191,623
Change in selected resources ²	9,643	1,339	-456
Total obligations.....	204,434	184,206	191,167

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing:			
Advances and reimbursements (—)			
For emergency preparedness functions.....			-70
From Cooperative range improvements.....	-700	-700	-700
Unobligated balance lapsing.....	656		
New obligational authority.....	204,389	183,506	190,397
New obligational authority:			
Appropriation.....	204,668	180,065	190,397
Transferred to (—)			
"Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728).....	-279	-352	
"Salaries and expenses, general administration" (76 Stat. 1212).....		-7	
Appropriation (adjusted).....	204,389	179,706	190,397
Proposed supplemental due to pay increases.....		3,800	

¹ Includes capital outlay as follows: 1962, \$29,136 thousand; 1963, \$35,450 thousand; 1964, \$32,876 thousand.

² Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Stores.....	2,770		3,043	3,200	3,400
Unpaid undelivered orders.....	6,482	107	15,476	16,656	16,000
Advances.....	115		598	600	600
Total selected resources.....	9,367	107	19,117	20,456	20,000

1. *Forest land management*—(a) *National forest protection and management*.—The 154 national forests and 18 units of national grasslands are managed under multiple use and sustained yield principles. The natural resources of outdoor recreation, range, timber, watershed, and wildlife are utilized in a planned combination that will best meet the needs of the Nation without impairing productivity of the land. These management and utilization principles were recognized in the Multiple Use-Sustained Yield Act of June 12, 1960 (Public Law 86-517, 74 Stat. 215). Work programs and budget estimates are related to the Development Program for the National Forests, a plan to meet the increasing demands for specific national forest resource needs through 1972 and for long-term objectives to the year 2000. Increases are provided in the budget to further attainment of these program objectives. Construction funds of \$18.4 million in 1963 and \$18 million in 1964 are budgeted, compared with \$16.4 million used in 1962, for construction or rehabilitation of campground and picnic facilities and other recreation improvements, the construction of dwellings or barracks for employee housing, fire lookouts, service and storage buildings, communication facilities, and other improvements. Funds appropriated under Cooperative range improvements are merged with this appropriation for obligational purposes.

MAIN WORKLOAD FACTORS

Description	1962 actual	1963 estimate	1964 estimate
Area administered and protected:			
(a) National forest lands (acres)....	181,976,676	182,012,000	182,072,000
(b) National grasslands (acres)....	3,803,656	3,803,000	3,803,000
(c) Land utilization projects (acres)....	385,501	385,000	385,000
Timber managed and protected (saw-timber—billion board feet).....	986	986	986
Timber sales (number).....	44,737	50,000	55,000
Timber harvested (billion board feet)....	9.0	9.7	11.0
Grazing use permits (calendar year)....	43,164	45,164	47,164
Estimated number of livestock on national forest ranges (including calves and lambs).....	6,000,000	6,000,000	6,000,000

MAIN WORKLOAD FACTORS—Continued

Description	1962 actual	1963 estimate	1964 estimate
Special-use permits, excluding recreation (number).....	37,100	38,000	39,000
Recreation special-use permits (number).....	22,800	23,500	24,200
Estimated number of visitors to national forests (calendar year).....	101,912,000	115,000,000	125,000,000
Tree planting and seeding (acres).....	110,456	118,450	150,000
Timber stand improvement (acres treated).....	150,731	170,000	180,000
Range reseeding and removal of competing vegetation (acres).....	165,559	187,300	187,300
Receipts (thousands of dollars):			
Timber sales.....	106,159	117,600	134,800
Grazing.....	3,195	3,300	3,300
Land uses.....	3,307	3,400	3,500
National grasslands.....	1,513	1,700	1,750
Total receipts.....	114,174	126,000	143,350

(b) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest fire emergencies which cannot be met by the fire control organization provided under national forest protection and management. Costs above the amounts estimated for the current and budget years are authorized to be met from advances from other Forest Service appropriations (repayments of such advances were made in 1962 to Expenses, brush disposal). In addition, a supplemental appropriation for 1963 is anticipated for separate transmittal.

	1962 actual	1963 estimate	1964 estimate
Forest fires controlled (number).....	14,494	11,000	11,200
Area burned (acres).....	204,607	100,000	200,000

(c) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and evaluate infestations of forest insects and infections of tree diseases and determination of protective measures to be taken, and (2) control operations to suppress or eradicate forest insects and diseases, including white pine blister rust.

(d) *Acquisition of lands.*—Lands are purchased to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission.

2. *Forest research.*—Research is conducted at 10 regional forest experiment stations, the Forest Products Laboratory, and elsewhere.

(a) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation; and improve methods for developing and managing recreation resources.

(b) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides improved methods of predicting fire danger, and preparing for and combating fire by combinations of ground and aerial methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(c) *Forest products and engineering.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality

wood and less-desirable species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers. Research is also conducted to advance the mechanization and efficiency of forestry operations, and to develop and evaluate machines and similar equipment for such operations as logging, planting, timber-stand improvement, and protection of forests.

(d) *Forest resource economics.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, and the potential need for timber products. Studies of the economics of forest crop production and of marketing of forest products are also included.

MAIN WORKLOAD FACTORS

[Acres in millions]

	1962 actual	1963 estimate	1964 estimate
Initial surveys (annual).....	30	30	30
Initial surveys (cumulative since 1930).....	642	672	702
To be surveyed (total) ¹	137	107	77
Resurveys (annual).....	37	35	35

¹ Includes all of Alaska and Hawaii.

3. *State and private forestry cooperation.*—This program, carried on in cooperation with the States, encourages private timber management. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce about 85% of all timber cut.

(a) *Forest fire control.*—Assistance is furnished 49 States in preventing and suppressing forest fires on private and State-owned lands by financial aid, training, procurement of equipment, and a nationwide fire prevention campaign. About 93% of the 450,000,000 acres of non-Federal ownership is now partially covered. During 1961 the acreage burned on protected areas was 0.27% as against an estimated 5.3% on unprotected lands. Of the total expenditures under this program, 81% is contributed by States and counties, 3% by private owners, and 16% by the Federal Government.

(b) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 70,000,000 acres altogether—the States provide planting stock at reasonable prices. The Federal Government shares the cost of producing the stock with the State and private landowners.

(c) *Forest management and processing.*—In cooperation with State foresters, 533 projects in 2,278 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1962 these projects served some 91,418 owners and 4,800,000 acres.

(d) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
FOREST SERVICE			
11 Personnel compensation:			
Permanent positions.....	68,775	75,700	81,387
Positions other than permanent.....	22,209	21,385	22,673
Other personnel compensation.....	14,394	3,179	3,266
Total personnel compensation.....	105,378	100,264	107,326
12 Personnel benefits.....	6,807	7,488	7,989

FOREST SERVICE—Continued

General and special funds—Continued

FOREST PROTECTION AND UTILIZATION—Continued

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
FOREST SERVICE—Continued			
21 Travel and transportation of persons.....	6,471	5,863	6,015
22 Transportation of things.....	7,351	6,388	6,638
23 Rent, communications, and utilities.....	3,752	3,053	3,154
24 Printing and reproduction.....	1,239	1,407	1,507
25 Other services.....	18,905	15,960	15,839
Services of other agencies.....	3,603	2,764	3,274
26 Supplies and materials.....	17,680	13,355	13,491
31 Equipment.....	6,672	5,548	5,638
32 Lands and structures.....	7,691	6,239	5,897
41 Grants, subsidies, and contributions.....	14,200	14,661	14,661
42 Insurance claims and indemnities.....	58	13	13
44 Refunds.....	2,838		
Subtotal.....	202,645	183,003	191,442
Deduct quarters and subsistence charges.....	1,404	1,256	1,276
Total, Forest Service.....	201,241	181,747	190,166
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	101	134	178
Positions other than permanent.....	280	303	362
Other personnel compensation.....	24	24	25
Total personnel compensation.....	405	461	565
12 Personnel benefits.....	17	20	25
21 Travel and transportation of persons.....	19	23	26
22 Transportation of things.....	5	6	11
23 Rent, communications, and utilities.....	7	7	5
25 Other services.....	318	512	185
Services of other agencies.....	3		
26 Supplies and materials.....	90	105	149
31 Equipment.....	39	29	35
32 Lands and structures.....	2,290	1,296	
Total, allotment accounts.....	3,193	2,459	1,001
Total obligations.....	204,434	184,206	191,167
Obligations are distributed as follows:			
Agriculture, Forest Service.....	201,241	181,747	190,166
Interior.....	705	766	981
General Services Administration.....	2,488	1,693	20

Personnel Summary

FOREST SERVICE			
Total number of permanent positions.....	12,474	13,146	13,551
Full-time equivalent of other positions.....	7,783	5,900	6,090
Average number of all employees.....	18,760	17,472	18,037
Number of employees at end of year.....	24,986	26,148	26,934
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	15	19	25
Full-time equivalent of other positions.....	64	68	76
Average number of all employees.....	83	90	104
Number of employees at end of year.....	183	201	216
Average GS grade.....	7.4	8.0	8.1
Average GS salary.....	\$5,910	\$6,664	\$6,795
Average salary of ungraded positions.....	\$5,090	\$5,523	\$5,511

Proposed for separate transmittal:

FOREST PROTECTION AND UTILIZATION

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Forest land management: (b) Fighting forest fires (costs—obligations).....		12,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		12,000	

Under existing legislation, 1963.—A supplemental appropriation for 1963 is anticipated for fighting forest fires.

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails, [\$37,500,000] \$66,400,000, to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203: *Provided*, That funds available under the Act of March 4, 1913 (16 U.S.C. 501), shall be merged with and made a part of this appropriation: *Provided further*, That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. (5 U.S.C. 565a; 23 U.S.C. 125; Department of the Interior and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Construction of roads and trails.....	31,747	46,749	61,520
2. Maintenance of roads and trails.....	11,749	11,500	12,500
Total program costs, funded ¹	43,496	58,249	74,020
Change in selected resources ²	2,459	2,813	2,980
Total obligations.....	45,955	61,062	77,000
Financing:			
Unobligated balance brought forward (contract authorization) (—).....	—36,093	—40,162	—70,000
Unobligated balance carried forward (contract authorization).....	40,162	70,000	85,000
Unobligated balance lapsing (contract authorization).....			5,000
New obligational authority.....	50,024	90,900	97,000

New obligational authority:			
Contract authorization (permanent) (76 Stat. 1145; 23 U.S.C. 203).....	40,000	80,000	85,000
Appropriation (permanent, indefinite) (16 U.S.C. 501).....	10,024	10,900	12,000

¹ Includes capital outlay as follows: 1962, \$24,715 thousand; 1963, \$36,400 thousand; 1964, \$47,900 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$6,118 thousand; 1962, \$8,577 thousand; 1963, \$11,390 thousand; 1964, \$14,370 thousand.

Status of Unfunded Contract Authorization (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Unfunded balance brought forward.....	45,664	50,664	86,164
Contract authorization (permanent).....	40,000	80,000	85,000

Status of Unfunded Contract Authorization (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Unfunded balance transferred to Proposed for separate transmittal (—)		-7,000	
Administrative cancellation of unfunded balance (—)			-5,000
Unfunded balance carried forward (—)	-50,664	-86,164	-99,764
Appropriation to liquidate contract authorization	35,000	37,500	66,400

Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 182,085 miles of earth- or gravel-surfaced roads and 106,500 miles of supplemental trails.

The Federal Highway Act of 1960 provides authorization of \$40 million for 1963. The Federal Highway Act of 1962 provides an additional authorization of \$10 million for 1963, \$70 million for 1964, and \$85 million for 1965. These authorizations are available for obligation a year in advance of the year for which authorized. This budget provides for utilization of \$65 million of the \$70 million 1964 authorization. At this level the 1964 program will involve the construction and reconstruction of about 582 miles of general purpose roads, about 817 miles of timber access roads to harvest national forest timber, and 284 miles of recreation access roads, a total of approximately 1,683 miles. This compares with 611 miles built in 1962 and 1,036 being built in 1963.

Of the amounts received annually from national forest activities 10% is available under the permanent appropriation Roads and trails for States, for construction and maintenance within the State from which such proceeds are derived. Such amounts are merged with this appropriation for obligational purposes.

In addition, a supplemental appropriation for 1963 to liquidate obligations incurred under the additional authorization is anticipated for separate transmittal.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
FOREST SERVICE			
11 Personnel compensation:			
Permanent positions	15,411	17,195	18,253
Positions other than permanent	6,646	7,309	9,613
Other personnel compensation	390	483	700
Total personnel compensation	22,447	24,987	28,566
12 Personnel benefits	1,522	1,661	1,907
21 Travel and transportation of persons	1,277	1,469	1,600
22 Transportation of things	1,892	2,226	2,400
23 Rent, communications, and utilities	845	938	1,000
24 Printing and reproduction	154	172	200
25 Other services	5,450	6,963	8,500
Services of other agencies	620	1,229	1,300
26 Supplies and materials	3,717	4,259	4,400
31 Equipment	1,338	1,420	1,500
32 Lands and structures	6,378	14,416	18,902
42 Insurance claims and indemnities	2		
Subtotal	45,642	59,740	70,275
Deduct quarters and subsistence charges	234	257	275
Total, Forest Service	45,408	59,483	70,000

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
ALLOCATION TO COMMERCE, BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions	73	152	309
Positions other than permanent	17	37	78
Other personnel compensation	3	6	16
Total personnel compensation	94	195	403
12 Personnel benefits	6	11	24
21 Travel and transportation of persons	31	62	124
22 Transportation of things	7	14	28
23 Rent, communications, and utilities	3	6	12
25 Other services	2	4	8
Services of other agencies	70	140	280
32 Lands and structures	334	1,147	6,121
Total, Bureau of Public Roads	547	1,579	7,000
Total obligations	45,955	61,062	77,000

Personnel Summary

FOREST SERVICE			
Total number of permanent positions	2,962	3,237	3,312
Full-time equivalent of other positions	1,769	1,885	2,325
Average number of all employees	4,422	4,746	5,241
Number of employees at end of year	6,508	6,951	7,876
Average GS grade	7.1	7.2	7.2
Average GS salary	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions	\$4,897	\$4,891	\$4,893
ALLOCATION TO COMMERCE, BUREAU OF PUBLIC ROADS			
Total number of permanent positions	100	100	100
Full-time equivalent of other positions	5	10	20
Average number of all employees	17	34	68
Number of employees at end of year	14	26	52
Average GS grade	8.8	8.8	8.8
Average GS salary	\$7,577	\$8,187	\$8,286

Proposed for separate transmittal:

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Unfunded balance transferred from Forest roads and trails (liquidation of contract authorization)		7,000	
Proposed supplemental appropriation to liquidate contract authorization		7,000	

Under existing legislation, 1963.—The Federal-Aid Highway Act of 1962 increased the 1963 obligational authority for forest development roads and trails from \$40 million to \$50 million. A supplemental appropriation is needed to liquidate obligations incurred under this additional authorization.

[ACCESS ROADS]

[For additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471,

FOREST SERVICE—Continued

General and special funds—Continued

[ACCESS ROADS]—Continued

472, 475, 476, 551), \$2,000,000.] (*Department of the Interior and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Access roads (program costs, funded) ¹ -----	953	3,129	99
Change in selected resources ² -----	69	-----	-99
Total obligations-----	1,023	3,129	-----
Financing:			
Unobligated balance brought forward (-)---	-151	-1,129	-----
Unobligated balance carried forward-----	1,129	-----	-----
New obligatory authority (appropriation)-----	2,000	2,000	-----

¹ Includes capital outlay as follows: 1962, \$953 thousand; 1963, \$3,129 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$30 thousand; 1962, \$99 thousand; 1963, \$99 thousand; 1964, \$0.

Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national forest areas where road access is a serious problem.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
25 Other services-----	1	-----	-----
Services of other agencies-----	4	-----	-----
32 Lands and structures-----	1,018	3,129	-----
Total obligations-----	1,023	3,129	-----

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

(Special fund)

[For the acquisition of land in the Cache National Forest, Utah, in accordance with the Act of May 11, 1938 (52 Stat. 347), as amended, \$10,000, to be derived from forest receipts as authorized by said Act: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned.]

For acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the [Uinta and Wasatch National Forests] following national forests, in accordance with the provisions of the [Act of August 26, 1935 (49 Stat. 866), as amended] following Acts, authorizing annual [appropriation] appropriations of forest receipts for such purposes, and in not to exceed the following amounts from such receipts, [\$20,000] Cache National Forest, Utah, Act of May 11, 1938 (52 Stat. 347), as amended, \$10,000; Uinta and Wasatch National Forests, Utah, Act of August 26, 1935 (49 Stat. 866), as amended, \$20,000; Toiyabe National Forest, Nevada, Act of June 25, 1938 (52 Stat. 1205), as amended, \$8,000; Angeles National Forest, California, Act of June 11, 1940 (54 Stat. 299), \$8,000; Cleveland National Forest in San Diego County, California, Act of June 11, 1940 (54 Stat. 297-298), \$8,000; San Bernardino and Cleveland National Forests in Riverside County, California, Act of June 15, 1938 (52 Stat. 699), \$8,000; Sequoia National Forest, California, Act of June 17, 1940 (54 Stat. 402), \$8,000; in all, \$70,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of the national [forest] forests. (*Department of the Interior and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Cache National Forest, Utah-----	15	10	10
2. Uinta and Wasatch National Forests, Utah-----	-----	20	20
3. Toiyabe National Forest, Nevada-----	-----	-----	8
4. Angeles National Forest, California-----	-----	-----	8
5. Cleveland National Forest (San Diego Co.), California-----	-----	-----	8
6. San Bernardino-Cleveland National Forest (Riverside County), California-----	-----	-----	8
7. Sequoia National Forest, California-----	-----	-----	8
Total program costs, funded ¹ -----	15	30	70
Change in selected resources ² -----	-5	-----	-----
Total obligations-----	10	30	70
Financing:			
New obligatory authority (appropriation)---	10	30	70

¹ Includes capital outlay as follows: 1962, \$15 thousand; 1963, \$30 thousand; 1964, \$66 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$23 thousand; 1962, \$18 thousand; 1963, \$18 thousand; 1964, \$18 thousand.

On the basis of agreements with certain counties in Utah, Nevada, and California, national forest receipts, including the portions which would normally be paid to county road and school funds, are used for purchase by the Government of privately owned lands within the national forests to aid in the control of soil erosion and flood damage.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions-----	-----	-----	4
32 Lands and structures-----	10	30	66
Total obligations-----	10	30	70

Personnel Summary

Total number of permanent positions-----	-----	-----	1
Average number of all employees-----	-----	-----	1
Number of employees at end of year-----	-----	-----	1
Average GS grade-----	-----	-----	7.2
Average GS salary-----	-----	-----	\$6,461

ACQUISITION OF LANDS FOR WASATCH NATIONAL FOREST

For the acquisition of land in the Wasatch National Forest, Utah, in accordance with the Act of September 14, 1962 (76 Stat. 545-546), \$20,000, to remain available until expended.

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Acquisition of lands for Wasatch National Forest, Utah (costs—obligations) (object class 32) ¹ -----	-----	-----	20
Financing:			
New obligatory authority (appropriation)---	-----	-----	20

¹ Includes capital outlay in 1964 of \$20 thousand.

Public Law 87-661, approved September 14, 1962, added some 24,000 acres to the Wasatch National Forest

in Utah of which only approximately 5,000 acres in scattered tracts are now in Federal ownership. The act authorizes the appropriation of \$400 thousand for purchase of privately owned lands within the area to aid in the control of floods and reduction of soil erosion as the primary value of these lands is for watershed purposes. The appropriation proposed will permit initiation of this acquisition program.

【SUPERIOR NATIONAL FOREST】

【For completion of the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U.S.C. 577c-h), as amended, by purchase, condemnation or otherwise, \$2,000,000, to remain available until expended and to be available without regard to the restriction in the proviso in section 1 of that Act.】 (Department of the Interior and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Acquisition of lands for Superior National Forest (program costs, funded) ¹	268	2,472	249
Change in selected resources ²	139	-----	-249
Total obligations	406	2,472	-----
Financing:			
Unobligated balance brought forward (-)....	-628	-472	-----
Unobligated balance carried forward.....	472	-----	-----
New obligational authority (appropriation)	250	2,000	-----

¹ Includes capital outlay as follows: 1962, \$128 thousand; 1963, \$2,412 thousand.
² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$110 thousand; 1962, \$249 thousand; 1963, \$249 thousand; 1964, \$0.

As of June 30, 1962, approximately 43,000 acres of land have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota. The authorization for the purchase of land within this forest was increased to \$4.5 million by Public Law 87-351, approved October 4, 1961. The 1963 appropriation completed the authorization for acquisition of the remaining tracts.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	18	35	-----
Positions other than permanent.....	-----	1	-----
Total personnel compensation	18	36	-----
12 Personnel benefits	2	3	-----
21 Travel and transportation of persons	3	6	-----
25 Other services	6	13	-----
Services of other agencies.....	1	2	-----
31 Equipment	1	2	-----
32 Lands and structures	375	2,410	-----
Total obligations	406	2,472	-----

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	2	3	-----
Average number of all employees.....	3	4	-----
Number of employees at end of year.....	4	5	-----
Average GS grade.....	7.1	7.2	-----
Average GS salary.....	\$6,090	\$6,465	-----

CACHE NATIONAL FOREST

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Acquisition of lands for Cache National Forest (program costs, funded) ¹	10	106	6
Change in selected resources ²	-4	-----	-6
Total obligations	7	106	-----
Financing:			
Unobligated balance brought forward (-)....	-113	-106	-----
Unobligated balance carried forward.....	106	-----	-----
New obligational authority	-----	-----	-----

¹ Includes capital outlay as follows: 1962, \$10 thousand; 1963, \$102 thousand.
² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$10 thousand; 1962, \$6 thousand; 1963, \$6 thousand; 1964, \$0.

Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion and flood damage.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions	-----	4	-----
32 Lands and structures	7	102	-----
Total obligations	7	106	-----

Personnel Summary

Total number of permanent positions.....	-----	1	-----
Average number of all employees.....	-----	1	-----
Number of employees at end of year.....	-----	0	-----
Average GS grade.....	-----	7.2	-----
Average GS salary.....	-----	\$6,465	-----

COOPERATIVE RANGE IMPROVEMENTS

(Special fund)

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests in accordance with section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), to be derived from grazing fees as authorized by said section, \$700,000, to remain available until expended. (Department of the Interior and Related Agencies Appropriation Act, 1963.)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Advanced to Forest protection and utilization (costs—obligations) (object class 25).....	700	700	700
Financing:			
New obligational authority (appropriation)....	700	700	700

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation Forest protection and utilization, subappropriation Forest land management.

FOREST SERVICE—Continued

General and special funds—Continued

ASSISTANCE TO STATES FOR TREE PLANTING

For expenses necessary to carry out section 401 of the Agricultural Act of 1956, approved May 28, 1956 (16 U.S.C. 568e), \$1,000,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1963.*)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Tree planting assistance (program costs, funded) ¹	955	1,007	1,000
Change in selected resources ²	37	-----	-----
Total obligations.....	993	1,007	1,000
Financing:			
Unobligated balance brought forward (—).....	-----	—7	-----
Unobligated balance carried forward.....	7	-----	-----
New obligational authority (appropriation)	1,000	1,000	1,000

¹ Includes capital outlay as follows: 1962, \$2 thousand; 1963, \$1 thousand; 1964, \$1 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$37 thousand; 1963, \$37 thousand; 1964, \$37 thousand.

To carry out section 401 of the Agricultural Act of 1956, assistance is given to the State forester or other State official, through technical advice and financial contribution, to carry out tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	52	113	117
Positions other than permanent.....	1	4	-----
Other personnel compensation.....	-----	-----	1
Total personnel compensation.....	53	117	118
12 Personnel benefits.....	4	10	11
21 Travel and transportation of persons.....	7	13	13
22 Transportation of things.....	-----	1	1
23 Rent, communications, and utilities.....	-----	1	-----
24 Printing and reproduction.....	1	-----	-----
25 Other services.....	11	1	1
26 Supplies and materials.....	-----	3	3
31 Equipment.....	8	1	1
41 Grants, subsidies, and contributions.....	909	860	852
Total obligations.....	993	1,007	1,000

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	5	10	10
Full-time equivalent of other positions.....	-----	1	-----
Average number of all employees.....	7	16	16
Number of employees at end of year.....	6	12	12
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed one hundred and [sixty-five] eighty-four passenger motor vehicles, of which one hundred and [thirty-seven] twenty-six shall be for re-

placement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [three] five of which [one] three shall be for replacement only; (b) employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not to exceed \$25,000; (c) uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); (d) purchase, erection, and alteration of buildings and other public improvements (5 U.S.C. 565a); (e) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U.S.C. 514); and (f) acquisition of land and interests therein for sites for administrative purposes and acquisition of such outstanding interests in lands administered by the Forest Service as may be deemed necessary to their effective administration, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a).

Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U.S.C. 513-519, 521), where such land is not within the boundaries of [a] an established national forest or purchase unit nor shall these lands [or lands authorized for purchase in Sanders County, Montana,] be acquired without approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1963.*)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

Executive Office of the President, Office of Emergency Planning, "Emergency preparedness functions of Federal agencies."

Funds Appropriated to the President:

"Agency for International Development."

"Public works acceleration."

Agriculture:

Agricultural Stabilization and Conservation Service:

"Conservation Reserve Program."

"Expenses."

Soil Conservation Service:

"Flood prevention."

"Great Plains conservation program."

"Watershed protection."

Interior, Bureau of Land Management, "Oregon and California Grant Lands."

EXPENSES, BRUSH DISPOSAL

(Permanent, indefinite, special fund)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Brush disposal (program costs, funded) ¹	6,113	8,000	9,000
Change in selected resources ²	62	-----	-----
Total obligations.....	6,175	8,000	9,000
Financing:			
Unobligated balance brought forward (—).....	—2,207	—6,569	—7,569
Repayment of prior year advance for fighting forest fires (—).....	—2,838	-----	-----
Unobligated balance carried forward.....	6,569	7,569	7,569
New obligational authority (appropriation).....	7,699	9,000	9,000

¹ Includes capital outlay as follows: 1962, \$492 thousand; 1963, \$579 thousand; 1964, \$629 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$178 thousand; 1962, \$241 thousand; 1963, \$241 thousand; 1964, \$241 thousand.

Payments made for this purpose by purchasers of national forest timber are used to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

In 1960 and 1961 funds were advanced to the appropriation Forest protection and utilization for fighting forest fires and repayment made from the subsequent year appropriation (31 U.S.C. 534).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,901	2,354	2,560
Positions other than permanent.....	2,071	2,746	3,053
Other personnel compensation.....	148	157	311
Total personnel compensation.....	4,120	5,257	5,924
12 Personnel benefits.....	228	300	350
21 Travel and transportation of persons.....	59	95	105
22 Transportation of things.....	304	417	460
23 Rent, communications, and utilities.....	109	149	160
24 Printing and reproduction.....	16	19	22
25 Other services.....	508	718	889
Services of other agencies.....	183	248	250
26 Supplies and materials.....	259	377	400
31 Equipment.....	276	344	360
32 Lands and structures.....	243	235	250
Subtotal.....	6,305	8,159	9,170
Deduct quarters and subsistence charges.....	130	159	170
Total obligations.....	6,175	8,000	9,000

Personnel Summary

Total number of permanent positions.....	334	383	403
Full-time equivalent of other positions.....	539	701	774
Average number of all employees.....	878	1,107	1,202
Number of employees at end of year.....	1,756	1,946	2,065
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS

(Indefinite special fund unless otherwise indicated)

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Forest fire prevention.....	25	22	20
2. Restoration of forest lands and improvements.....	6	203	100
3. Payment to Minnesota.....	124	125	128
4. Payments to counties, national grasslands.....	421	425	438
5. Payments to school funds, Arizona and New Mexico.....	99	80	100
6. Payments to States, national forests fund.....	25,056	27,235	30,000
Total program costs, funded—obligations ¹	25,731	28,090	30,786
Financing:			
Unobligated balance brought forward (—).....	—11	—9	-----
Unobligated balance carried forward.....	9	-----	-----
New obligational authority.....	25,729	28,081	30,786
New obligational authority:			
"Forest fire prevention".....	20	20	20
"Restoration of forest lands and improvements".....	10	196	100
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund".....	124	125	128
"Payment to counties, national grasslands".....	421	425	438
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund).....	99	80	100
"Payments to States, national forests fund".....	25,056	27,235	30,000
Appropriation.....	25,729	28,081	30,786

¹ Includes capital outlay in 1962 of \$1 thousand.

1. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (18 U.S.C. 711).

2. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (16 U.S.C. 579c).

3. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

4. *Payments to counties, national grasslands.*—Of the revenues received from the use of national grasslands, 25% is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

5. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national forest receipts for school purposes (36 Stat. 562, 573).

6. *Payments to States, national forests fund.*—With minor exceptions, 25% of the money received from the national forests is paid to the States for public schools and roads of the county in which such forests are situated (16 U.S.C. 500).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	10	21	15
Positions other than permanent.....	4	73	30
Other personnel compensation.....	1	5	-----
Total personnel compensation.....	15	99	45
12 Personnel benefits.....	1	5	2
21 Travel and transportation of persons.....	-----	3	1
22 Transportation of things.....	1	8	5
23 Rent, communications, and utilities.....	3	5	3
24 Printing and reproduction.....	-----	3	2
25 Other services.....	4	62	38
Services of other agencies.....	-----	3	1
26 Supplies and materials.....	7	37	23
41 Grants, subsidies, and contributions.....	25,700	27,865	30,666
Total obligations.....	25,731	28,090	30,786

Personnel Summary

Total number of permanent positions.....	3	2	2
Full-time equivalent of other positions.....	1	23	9
Average number of all employees.....	3	27	12
Number of employees at end of year.....	5	10	5
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461

Intragovernmental funds:

WORKING CAPITAL FUND, FOREST SERVICE

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs, funded:			
1. Equipment service.....	9,360	10,134	12,300
2. Aircraft service.....	759	628	700

FOREST SERVICE—Continued**Intragovernmental funds—Continued****WORKING CAPITAL FUND, FOREST SERVICE—Continued****Program and Financing (in thousands of dollars)—Continued**

	1962 actual	1963 estimate	1964 estimate
Program by activities—Continued			
Operating costs, funded—Continued			
3. Supply service.....	9,886	7,923	9,000
4. Nurseries.....	1,558	1,797	2,000
Total operating costs, funded.....	21,563	20,482	24,000
Capital outlay:			
1. Equipment service.....	5,068	3,840	4,940
2. Aircraft service.....	103	2	50
3. Supply service.....	55	48	10
4. Nurseries.....	16	9	10
Total capital outlay.....	5,242	3,899	5,000
Total program costs, funded.....	26,805	24,381	29,000
Change in selected resources ¹	-107	1,092	-----
Total obligations.....	26,698	25,473	29,000
Financing:			
Revenues and other receipts:			
Equipment service: Revenue.....	12,949	12,842	15,625
Aircraft service: Revenue.....	726	748	790
Supply service: Revenue.....	10,099	7,984	9,050
Nurseries: Revenue.....	1,427	1,955	2,035
Undistributed receipts:			
Proceeds from sales of equipment.....	740	765	600
Income provision for increased cost of equipment replacements.....	-----	1,000	1,000
Total revenue and other receipts.....	25,941	25,294	29,100
Unobligated balance brought forward: Obliga- tions in excess of availability.....	-735	-945	-1,124
Adjustment for unfilled customers orders, unrecorded.....	546	-----	-----
Unobligated balance carried forward: Obliga- tions in excess of availability.....	945	1,124	1,024
Financing applied to program.....	26,698	25,473	29,000

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	26,698	25,473	29,000
Increase (—) in gross unpaid obligations.....	-876	-608	-----
Gross expenditures.....	25,822	24,865	29,000
Revenues and other receipts (from program and financing).....	25,941	25,294	29,100
Increase (—) or decrease in accounts receivable, net.....	-730	57	-----
Applicable receipts.....	25,211	25,351	29,100
Budget expenditures.....	610	-486	-100

This fund finances on a reimbursable basis various services such as repairing and replacing equipment, including aircraft, stocking and issuing supplies, operation of subsistence camps, operation of photographic and reproduction facilities, and tree nurseries in support of programs of the Forest Service (16 U.S.C. 579b, as amended). These service operations serve programs of fire protection, timber utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, and individuals engaged in the same objectives.

Operating results and financial condition.—Government investment in the fund as of June 30, 1962, including donated assets and retained earnings for 1962, is \$25.8 million. By the end of 1964 the investment is anticipated to be \$30.9 million, an increase of \$5.1 million which represents estimated earnings and donations during 1963 and 1964.

Receipts, nonoperating income, and retained earnings include an estimated \$2 million as of June 30, 1964, identified as Income provision for increased cost of equipment replacements to be used for financing the increased cost of equipment replacement, i.e., the difference between the cost of the replacement unit and the cost at time of acquisition of the unit being replaced. A factor for this purpose is included in rental rates charged to program appropriations for equipment use and credited to the working capital fund.

Retained earnings as of June 30, 1964, will total an estimated \$6.2 million which will consist of \$2.1 million gain on sale of equipment, \$2.1 million profit from operations, and \$2 million for provision for increased cost of replacement of equipment.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Equipment service:			
Revenue.....	12,949	12,842	15,625
Expense.....	12,348	13,451	15,624
Net operating income or loss (—), equipment service.....	601	-609	1
Aircraft service:			
Revenue.....	726	748	790
Expense.....	885	718	790
Net operating income or loss (—), air- craft service.....	-159	30	-----
Supply service:			
Revenue.....	10,099	7,984	9,050
Expense.....	9,944	7,984	9,050
Net operating income, supply service.....	155	-----	-----
Nurseries:			
Revenue.....	1,427	1,955	2,035
Expense.....	1,564	1,827	2,035
Net operating income or loss (—), nur- series.....	-137	128	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Nonoperating income:			
Proceeds from sales of equipment.....	740	765	600
Net book value of assets sold (—).....	—532	—613	—500
Net gain from sale of equipment.....	208	152	100
Income provision for increased cost of equipment replacements.....		1,000	1,000
Net operating income.....	208	1,152	1,100
Net income for the year.....	668	701	1,101
Analysis of retained earnings: Retained earnings, start of year.....	3,681	4,349	5,050
Retained earnings, end of year.....	4,349	5,050	6,151

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	3,003	2,393	2,879	2,979
Accounts receivable, net.....	2,716	3,446	3,389	3,389
Selected assets: ¹				
Advances.....	4	5	4	4
Deferred charges, etc.....	18	43	44	44
Inventories.....	3,360	3,542	3,643	3,643
Fixed assets, net.....	18,638	21,391	22,477	25,478
Total assets.....	27,740	30,820	32,436	35,537
Liabilities:				
Current.....	3,878	5,069	4,686	4,686
Government equity:				
Non-interest-bearing capital:				
Start of year.....	18,240	20,182	21,402	22,700
Donated assets during the year:				
Fixed assets.....	1,404	1,154	1,247	2,000
Working capital, net.....	539	66	51	
End of year.....	20,182	21,402	22,700	24,700
Total retained earnings.....	3,681	4,349	5,050	6,151
Total Government equity.....	23,862	25,751	27,750	30,851

Analysis of Government Equity (in thousands of dollars)

	1962 actual	1963 actual	1964 estimate	1965 estimate
Unpaid undelivered orders ¹	2,576	2,261	3,252	3,252
Unobligated balance (—).....	—735	—945	—1,124	—1,024
Unfilled customers orders.....		—546	—546	—546
Invested capital and earnings.....	22,021	24,981	26,168	29,169
Total Government equity.....	23,862	25,751	27,750	30,851

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	4,797	5,265	5,695
Positions other than permanent.....	1,821	1,687	2,024
Other personnel compensation.....	344	273	306
Total personnel compensation.....	6,962	7,225	8,025
12 Personnel benefits.....	437	444	494
21 Travel and transportation of persons.....	238	235	300

Object Classification (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
22 Transportation of things.....	657	219	450
23 Rent, communications, and utilities.....	402	410	475
24 Printing and reproduction.....	99	106	110
25 Other services.....	1,629	1,854	1,900
Services of other agencies.....	157	111	120
26 Supplies and materials.....	11,758	10,525	11,656
31 Equipment.....	4,358	4,344	5,470
42 Insurance claims and indemnities.....	1		
Total obligations.....	26,698	25,473	29,000

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	827	846	890
Full-time equivalent of other positions.....	487	449	520
Average number of all employees.....	1,272	1,285	1,400
Number of employees at end of year.....	1,301	1,307	1,400
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Repair of equipment and sale of supplies, materials, and equipment to other activities of Forest Service; the Departments of Agriculture, Commerce, Interior, Defense, and Post Office; Veterans Administration; Atomic Energy Commission; and other agencies.....	267	300	300
2. Construction and maintenance of roads, trails, and other improvements.....	805	2,470	2,470
3. Forest fire protection and suppression.....	757	1,250	1,250
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands.....	61	500	500
5. Insect and disease control.....	67	350	350
6. Forest research at experimental forests and ranges.....	698	950	950
7. Investigations at Forest Products Laboratory.....	439	550	550
8. Forest resources surveys and investigations.....	39	50	50
9. Cooperation in forest fire control, forest management and processing, and forest tree planting.....	657	950	950
10. Area Redevelopment Program (Commerce):			
Technical assistance.....	2	27	
Operations.....		51	89
11. Defense preparedness planning (Defense).....	3	908	534
12. National fallout shelter program (Defense).....	20		
Total program costs, funded ¹	3,815	8,356	7,993
Change in selected resources ²	422		
Total obligations.....	4,236	8,356	7,993
Financing:			
Advances and reimbursements from—			
Other accounts.....	3,231	6,586	6,223
Non-Federal sources ³	1,013	1,770	1,770

FOREST SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing—Continued			
Unobligated balance lapsing (—).....	—8	—	—
Total financing.....	4,236	8,356	7,993

¹ Includes capital outlay as follows: 1962, \$335 thousand; 1963, \$711 thousand; 1964, \$711 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$90 thousand; 1962, \$512 thousand; 1963, \$512 thousand; 1964, \$512 thousand.

³ Reimbursements from non-Federal sources above are primarily for: sale of equipment, supplies, and materials; costs of suppressing forest fires on State and private forest lands adjacent to, or intermingled with, national forests under terms of written cooperative agreements (16 U.S.C. 572, 580, 580a); and sale of personal property (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,347	2,220	2,313
Positions other than permanent.....	448	694	705
Other personnel compensation.....	95	108	128
Total personnel compensation.....	1,890	3,022	3,146
12 Personnel benefits.....	100	251	259
21 Travel and transportation of persons.....	72	309	292
22 Transportation of things.....	75	181	181
23 Rent, communications, and utilities.....	52	118	118
24 Printing and reproduction.....	4	6	6
25 Other services.....	1,104	2,543	2,064
Services of other agencies.....	31	91	91
26 Supplies and materials.....	470	1,124	1,125
31 Equipment.....	161	476	476
32 Lands and structures.....	277	235	235
Total obligations.....	4,236	8,356	7,993

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	160	220	223
Full-time equivalent of other positions.....	120	177	177
Average number of all employees.....	319	500	503
Number of employees at end of year.....	280	280	283
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893

GENERAL PROVISIONS

Sec. 601. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [four hundred and seventy-six] *five hundred and twenty-five* passenger motor vehicles, of which four hundred and [forty-three] *ninety-eight* shall be for replacement only, and for the hire of such vehicles.

Sec. 602. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Sec. 603. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

Sec. 604. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

Sec. 605. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Sec. 606. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts. (*Department of Agriculture and Related Agencies Appropriation Act, 1963.*)

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1962		Balance, start of 1963		Balance, start of 1964		Balance, start of 1965	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Agricultural Research Service.....		20,287	2,750	24,541	1,680	29,170		28,251
Salaries and expenses (special foreign currency program), Agricultural Research Service.....	26,192	31,719	23,303	33,896	13,501	34,361		28,861
Construction of facilities, Agricultural Research Service.....	7,296	7,651	4,651	6,936	200	2,336		7
Animal disease laboratory facilities, Agricultural Research Service.....	499	845	256	306				
Establishment of an entomology research facility, Agricul- tural Research Service (indefinite).....	400	400	400	400				
Watershed protection, Soil Conservation Service.....	2,512	30,006	4,911	44,184		52,402		55,894
Flood prevention, Soil Conservation Service.....	2,633	12,845	4,271	18,395		17,838		18,314
Great Plains conservation program, Soil Conservation Service.....	257	16,704	77	17,829		19,612		22,406
Water conservation and utilization projects, Soil Conservation Service.....	129	129	127	128	125	125	125	125
Perishable Agricultural Commodities Act fund, Agricul- tural Marketing Service (indefinite special fund).....	244	294	174	222	54	108	45	103
Removal of surplus agricultural commodities, Agricultural Marketing Service (indefinite).....	300,000	382,685	300,000	330,821	300,000	330,821	300,000	330,821
Salaries and expenses, Foreign Agricultural Service.....		779		7,845		17,055		26,228
Salaries and expenses (special foreign currency program), Foreign Agricultural Service.....	4,816	19,405	3,906	16,168	3,830	13,668	1,830	6,768
Agricultural conservation program, Agricultural Stabilization and Conservation Service.....	4,701	18,772		8,490		6,073		4,603
Emergency conservation measures, Agricultural Stabilization and Conservation Service.....	11,738	16,435	9,188	12,638		4,638		
Conservation reserve program, Agricultural Stabilization and Conservation Service.....	22,151	34,495	402	2,506				
Soil Bank program, Agricultural Stabilization and Conserva- tion Service.....	12,274	12,274		2,096				
Public Law 480.....			6,000	6,000	30,549	30,549		
Rural housing grants and loans, Farmers Home Administra- tion.....			9,929	9,935	5,929	6,735	29	729
Centennial Observance of Agriculture.....			31	59				
Forest protection and utilization, Forest Service.....		17,749		32,140		23,705		25,252
Access roads, Forest Service.....	151	181	1,129	1,972		1,372		372
Acquisition of land for national forests, Forest Service:								
Superior National Forest.....	628	740	472	722		1,722		222
Special acts (indefinite special fund).....		23		18		21		41
Cache National Forest.....	113	122	106	112		62		12
Wasatch National Forest.....						10		10
Assistance to States for tree planting, Forest Service.....			7	538		538		538
Expenses, brush disposal, Forest Service.....	2,207	5,802	6,569	7,424	7,569	8,924	7,569	9,924
Forest fire prevention, Forest Service.....	7	9	2	2		2		2
Restoration of forest lands and improvements, Forest Service.....	4	5	7	8		54		54
Other.....		19,315		32,767		32,773		34,861
Subtotal.....	398,952	649,671	378,668	619,098	363,437	634,664	309,598	594,398
Balances of anticipated pay increase supplementals included above.....						-530		
Total, appropriations.....	398,952	649,671	378,668	619,098	363,437	634,134	309,598	594,398
Authorizations to expend from debt receipts:								
Commodity Credit Corporation fund.....	111,915	1,104,084	189,918	1,510,000	420,991	762,000	1,331,996	2,243,000
Rural electrification and telephone loans, Rural Electrifica- tion Administration.....	35,151	904,541	65,887	988,997	27,887	1,065,996	2,887	1,075,995
Farm ownership, farm operating, and soil and water conser- vation loans, Farmers Home Administration.....		1,622						
Rural housing grants and loans, building loans, Farmers Home Administration.....	427,612	441,673	332,612	335,524	195,613	196,624	135,613	136,513
Agricultural credit insurance fund, Farmers Home Adminis- tration.....				252				
Total, authorization to expend from debt receipts.....	574,678	2,451,920	588,418	2,834,773	644,491	2,024,620	1,470,496	3,455,508
Contract authorizations: Forest roads and trails, Forest Service.....	36,093	45,664	40,162	50,664	70,000	86,164	85,000	99,764
Revolving and management funds:								
Working capital fund, Agricultural Research Center.....	69	389	843	506	108	506	108	506
Advances and reimbursements, Agricultural Marketing Service.....	2	31		8		3		3
Commodity Credit Corporation fund.....		32,559		32,162		33,510		33,712
Federal Crop Insurance Corporation fund.....	48,016	50,348	47,591	49,235	49,660	50,810	47,760	48,744
Direct loan account, Farmers Home Administration.....			276,753	256,000	203,864	174,013	139,790	104,567
Emergency credit revolving fund, Farmers Home Adminis- tration.....	82,966	80,068	46,710	44,627	34,486	32,056	31,839	29,003
Agricultural credit insurance fund, Farmers Home Adminis- tration.....	3,371	1,115		2,362	535	1,170	780	1,130

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1962		Balance, start of 1963		Balance, start of 1964		Balance, start of 1965	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Revolving and management funds—Continued								
Rural housing for the elderly revolving fund, Farmers Home Administration.....							263	
Working capital fund, Department of Agriculture (General Administration).....	255	302	1,089	473	293	445	294	417
Working capital fund, Forest Service.....	—734	3,003	—945	2,393	—1,124	2,879	—1,024	2,979
Other.....		7,157		11,886		165		10
Total, revolving and management funds.....	133,945	174,972	372,041	399,652	287,822	295,557	219,810	221,071
Proposed for separate transmittal:								
Appropriations, other than pay increase supplementals.....						1,025		1,679
Revolving and management funds.....					10		50,010	50,000
Anticipated pay increase supplemental appropriations.....						530		
Total, proposed for separate transmittal.....					10	1,555	50,010	51,679
Total, Department of Agriculture.....	1,143,668	3,322,228	1,379,288	3,904,185	1,365,760	3,042,032	2,134,914	4,422,422

FUNDS APPROPRIATED TO THE PRESIDENT— Continued

PEACE CORPS

GIFTS AND DONATIONS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Gifts and donations.....	15	9	5
2. U.S. dollars advanced from foreign govern- ments.....		61	68
Total obligations.....	15	70	73
Financing:			
Unobligated balance brought forward.....		4	
Receipts:			
Gifts and donations.....	19	5	5
U.S. dollars advanced from foreign govern- ments.....		61	68
Unobligated balance carried forward (—).....	—4		
Total financing.....	15	70	73

1. *Gifts and donations.*—Money received by gift, devise, bequest, or otherwise is used in furtherance of the Peace Corps Act (22 U.S.C. 2509(a)(3)).

2. *U.S. dollars advanced from foreign governments.*—Dollars received from foreign governments are used to defray part of the cost of the Peace Corps volunteers (75 Stat. 612, as amended).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
12 Personnel benefits.....		61	68
22 Transportation of things.....		9	5
25 Other services.....	15		
Total obligations.....	15	70	73

ADVANCES FROM FOREIGN GOVERNMENTS

Program and Financing (in thousands of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Advances from foreign governments (obliga- tions) (object class 12).....		192	240
Financing:			
Authorization to expend foreign currency re- ceipts: Permanent (75 Stat. 612).....		192	240

Analysis of Expenditures (in thousands of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
Obligated balance brought forward.....			48
Obligations incurred, net.....		192	240
Obligated balance carried forward (—).....		—48	—48
Expenditures.....		144	240

Foreign currency received from foreign governments is used to defray part of the cost of the Peace Corps volunteers.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

AGRICULTURAL RESEARCH SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Expenses and refunds, inspection and grad- ing of farm products:			
(a) Inspection and certification of ani- mal foods and inedible agricul- tural products in interstate and foreign commerce.....	95	110	112
(b) Identification and certification service for meat and other prod- ucts.....	412	429	440
(c) Contract specification work on meat and meat food products.....	1,124	1,136	1,165
(d) Food inspection service (meat and and meat food products).....	5	5	5
2. Expenses, feed and attendants for animals in quarantine.....	49	58	45
3. Miscellaneous contributed funds.....	468	619	509
4. Prior year advances returned.....	9		
Total program costs, funded ¹	2,161	2,357	2,276
Change in selected resources ²	17		
Total obligations.....	2,178	2,357	2,276
Financing:			
Unobligated balance brought forward.....	220	304	149
Receipts:			
Expenses and refunds, inspection and grad- ing of farm products.....	1,664	1,779	1,722
Expenses, feed and attendants for animals in quarantine.....	54	45	45
Miscellaneous contributed funds.....	545	378	500
Unobligated balance carried forward (—).....	—304	—149	—140
Total financing.....	2,178	2,357	2,276

¹ Includes capital outlay as follows: 1962, \$12 thousand; 1963, \$48 thousand; 1964, \$4 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$17 thousand; 1962, \$34 thousand; 1963, \$34 thousand; 1964, \$34 thousand.

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Expenses and refunds, inspection and grading of farm products* provide for (a) inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce; (b) identification and marking of divided portions of meat, meat byproducts, and meat food products for human consumption, which have been previously federally inspected and so marked in order that divided portions will bear Federal marks; (c) examination of meat and meat food products in federally inspected meatpacking plants for compliance with contract specifications; and (d) a food inspection service covering any article of human food derived wholly or in part from meat, meat byproducts or meat food products not subject to the Federal meat inspection laws but for which the mark of Federal meat inspection is requested (7 U.S.C. 1622h, 1624).

2. *Expenses, feed and attendants for animals in quarantine* are paid from fees advanced by importers (21 U.S.C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous production and utilization research activities, plant quarantine inspection, and cooperative plant pest control activities (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	283	371	338
Positions other than permanent.....	30	67	48
Other personnel compensation.....	18	13	22
Total personnel compensation.....	331	451	408
12 Personnel benefits.....	23	31	28
21 Travel and transportation of persons.....	28	50	31
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	3	3	3
24 Printing and reproduction.....		2	1
25 Other services.....	28	21	15
Services of other agencies.....	1,668	1,700	1,748
26 Supplies and materials.....	60	65	36
31 Equipment.....	27	30	4
32 Lands and structures.....		3	
44 Refunds.....	9		
Subtotal.....	2,179	2,358	2,276
Deduct quarters and subsistence charges.....	1	1	
Total obligations.....	2,178	2,357	2,276

Personnel Summary

Total number of permanent positions.....	39	50	48
Full-time equivalent of other positions.....	7	18	13
Average number of all employees.....	53	76	64
Number of employees at end of year.....	48	66	60
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$6,717	\$7,182	\$7,193
Average salary of ungraded positions.....	\$4,547	\$4,582	\$4,676

ECONOMIC RESEARCH SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (program costs, funded).....	16	13	13
Change in selected resources ¹	-1		
Total obligations.....	15	13	13
Financing:			
Receipts.....	15	13	13

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$1 thousand; 1962, \$0; 1963, \$0; 1964, \$0.

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Positions other than permanent.....	6	8	9
12 Personnel benefits.....	1	1	1
21 Travel and transportation of persons.....	5	2	2
25 Other services.....	2		
Services of other agencies.....	1	2	1
Total obligations.....	15	13	13

Personnel Summary

	1962 actual	1963 estimate	1964 estimate
Average number of all employees.....	1	1	1
Number of employees at end of year.....	2	2	2
Average GS grade.....	8.2	8.3	8.4
Average GS salary.....	\$7,169	\$7,638	\$7,703
Average salary of ungraded positions.....	\$5,671	\$6,102	\$6,102

EXTENSION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs—obligations) (object class 21).....	5	5	5
Financing:			
Receipts.....	5	5	5

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FARMER COOPERATIVE SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs—obligations) (object class 25).....	10		
Financing:			
Receipts.....	10		

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

SOIL CONSERVATION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (program costs, funded).....	477	478	555
Change in selected resources ¹	31	-51	
Total obligations.....	508	427	555
Financing:			
Unobligated balance brought forward.....	96	40	138
Receipts.....	452	525	573
Unobligated balance carried forward (—).....	-40	-138	-156
Total financing.....	508	427	555

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$96 thousand; 1962, \$127 thousand; 1963, \$76 thousand; 1964, \$76 thousand.

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	229	267	314
Positions other than permanent.....	26	32	38
Total personnel compensation.....	255	299	352
12 Personnel benefits.....	19	22	26
21 Travel and transportation of persons.....	26	35	41
22 Transportation of things.....	3	3	4
23 Rent, communications, and utilities.....	5	6	7
24 Printing and reproduction.....	10	10	12
25 Other services:			
Construction contracts.....	101	29	85
Other miscellaneous services.....	1	6	8
Services performed by other agencies.....		1	2
26 Supplies and materials.....	5	11	12
31 Equipment.....	8	2	2
44 Refunds.....	75	3	4
Total obligations.....	508	427	555

Personnel Summary

Total number of permanent positions.....	33	19	30
Full-time equivalent of other positions.....	7	6	6
Average number of all employees.....	42	43	46
Number of employees at end of year.....	28	27	27
Average GS grade.....	7.4	7.5	7.4
Average GS salary.....	\$6,307	\$6,731	\$6,729

AGRICULTURAL MARKETING SERVICE

AGRICULTURAL MARKETING SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Dairy products.....	2,259	2,827	2,896
(b) Fresh and processed fruits and vegetables.....	6,797	7,510	8,080
(c) Meat.....	5,145	5,437	5,709
(d) Poultry products.....	4,214	4,576	4,721
(e) Miscellaneous agricultural commodities.....	1,861	2,504	2,563
2. Miscellaneous contributed funds.....	33	95	37
Total program costs, funded ¹	20,309	22,949	24,006
Change in selected resources ²	92	—31	—
Total obligations.....	20,401	22,918	24,006
Financing:			
Unobligated balance brought forward.....	7,166	7,626	7,334
Receipts:			
Expenses and refunds, inspection and grading of farm products.....	20,728	22,593	23,263
Miscellaneous contributed funds.....	84	33	37
Recovery of prior year obligations.....	49	—	—
Unobligated balance carried forward (—).....	—7,626	—7,334	—6,628
Total financing.....	20,401	22,918	24,006

¹ Includes capital outlay as follows: 1962, \$95 thousand; 1963, \$95 thousand; 1964, \$95 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$68 thousand (1962 adjustments —\$49 thousand); 1962, \$111 thousand; 1963, \$80 thousand; 1964 \$80 thousand.

1. *Expenses and refunds, inspection and grading of farm products.*—An inspection and grading service for farm products is provided upon application of interested parties. These services are supported primarily by fees and, to a limited extent, by direct appropriations to the Agricultural Marketing Service. The schedules reflect expenses paid from fees received (7 U.S.C. 91–99, 1621–1627). The volume of work performed under the trust fund is shown below (in millions):

Commodity	Unit	1962 actual	1963 estimate	1964 estimate
Dairy products.....	Pound.....	4,685.0	4,915.0	4,915.0
Fresh fruits and vegetables.....	Car or carlot equiv.	1.6	1.6	1.6
Processed fruits and vegetables:				
Canned products.....	Case.....	208.7	225.0	240.0
Frozen, dried and miscellaneous.....	Pound.....	3,813.4	4,116.0	4,527.0
Meat and meat products.....	Pound.....	8,373.6	8,586.0	8,908.0
Poultry products, graded:				
Shell eggs.....	Case.....	33.0	34.6	34.6
Processed eggs.....	Pound.....	559.0	559.0	559.0
Poultry, including rabbits.....	Pound.....	5,873.4	6,082.8	6,482.8
Poultry products inspected, including rabbits.....	Pound.....	2.2	2.3	2.4
Grain and related products:				
Rice, beans and peas.....	Hundredweight.....	58.5	70.3	70.3
Seed verification and reverification.....	Pound.....	12.0	10.0	10.0

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others, available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	14,458	16,252	16,833
Positions other than permanent.....	503	763	790
Other personnel compensation.....	949	621	875
Total personnel compensation.....	15,910	17,636	18,498
12 Personnel benefits.....	1,153	1,289	1,339
21 Travel and transportation of persons.....	1,481	1,624	1,663
22 Transportation of things.....	69	67	81
23 Rent, communications, and utilities.....	309	338	353
24 Printing and reproduction.....	130	147	198
25 Other services.....	799	1,359	1,336
Services of other agencies.....	240	100	144
26 Supplies and materials.....	169	204	227
31 Equipment.....	141	154	167
Total obligations.....	20,401	22,918	24,006

Personnel Summary

Total number of permanent positions.....	2,860	2,734	2,733
Full-time equivalent of other positions.....	117	152	174
Average number of all employees.....	2,490	2,651	2,673
Number of employees at end of year.....	2,639	2,805	2,829
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,439	\$6,885	\$6,879
Average salary of ungraded positions.....	\$4,684	\$4,837	\$4,850

STATISTICAL REPORTING SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs—obligations).....	8	4	—

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing:			
Receipts.....	8	4	-----

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Permanent positions.....	7	4	-----
12 Personnel benefits.....	1	-----	-----
Total obligations.....	8	4	-----

Personnel Summary

Total number of permanent positions.....	1	-----	-----
Average number of all employees.....	1	-----	-----
Number of employees at end of year.....	0	-----	-----
Average GS grade.....	6.5	-----	-----
Average GS salary.....	\$6,024	-----	-----

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs—obligations).....	47	4	-----
Financing:			
Unobligated balance brought forward.....	2	-----	-----
Receipts.....	45	4	-----
Total financing.....	47	4	-----

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
25 Other services.....	45	4	-----
44 Refunds.....	2	-----	-----
Total obligations.....	47	4	-----

FARMERS HOME ADMINISTRATION

STATE RURAL REHABILITATION FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Capital outlay:			
1. Acquisition of loans.....	5,522	4,500	4,500
2. Acquisition of judgments.....	3	5	10
Total capital outlay.....	5,525	4,505	4,510
Current assets returned to States.....	346	214	214
Change in selected resources ¹	-1,101	-----	-----
Total capital outlay (obligations).....	4,770	4,719	4,724
Operating costs, funded: Expense (obligations).....	282	247	243
Total obligations.....	5,052	4,966	4,967
Financing:			
Revenues and other receipts:			
Loans repaid.....	4,483	4,500	3,700
Payments on judgments.....	8	8	7
Sale of property.....	1	-----	-----
Revenue.....	1,001	957	947
Revenues and other receipts.....	5,492	5,465	4,654
Unobligated balance brought forward.....	3,369	3,808	4,308
Unobligated balance carried forward.....	-3,808	-4,308	-3,995
Financing applied to program.....	5,052	4,966	4,967

¹ Balances of selected resources are identified on the statement of financial condition.

Summary of Sources and Application of Funds (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Obligations (from program and financing).....	5,052	4,966	4,967
Decrease in gross unpaid obligations.....	1,103	-----	-----
Gross expenditures.....	6,155	4,966	4,967
Revenues and other receipts (from program and financing).....	5,492	5,465	4,654
Increase (—) in accounts receivable, net.....	-255	-35	-23
Applicable receipts.....	5,237	5,430	4,631
Trust expenditures.....	918	-464	336

These funds are administered by the Farmers Home Administration, under agreements with 39 individual States, for use in carrying out subtitles A and B of the Consolidated Farmers Home Administration Act of 1961. In these States, real estate type loans are made from these funds and insured under the regular Farmers Home Administration insured loan program at 5% of which not less than one-half of 1% represents an insurance charge that is retained by the Government. In some States, operating type loans are made at 5% interest. The entire assets of the 39 State corporations are being administered by the Farmers Home Administration, with the exception of

DEPARTMENT OF AGRICULTURE—Continued

FARMERS HOME ADMINISTRATION—Continued

STATE RURAL REHABILITATION FUNDS—Continued

\$14.4 million representing the partial return of cash and other assets at face value to 18 of these States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government. The entire assets of four other State rural rehabilitation corporations have been returned to those States.

Actual and estimated loan operations for the fiscal years 1961, 1962, 1963 and 1964 are as follows (in thousands of dollars):

	Operating loans	Real estate loans
1961.....	1,294	8,478
1962.....	321	4,101
1963 (estimate).....	500	4,000
1964 (estimate).....	500	4,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Operating program:			
Revenue.....	1,001	957	947
Expense.....	268	167	215
Net operating income.....	732	790	732
Nonoperating income:			
Sale of property.....	1		
Net book value.....	-1		
Net gain or loss (—) from sale.....			
Net income for the year.....	732	790	732
Deficit (—), start of year.....	-2,449	-1,717	-927
Deficit (—), end of year.....	-1,717	-927	-195

Financial Condition (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Assets:				
Treasury balance.....	3,195	2,050	2,515	2,179
U.S. Securities (par).....	856	1,083	1,083	1,083
Accounts receivable, net.....	723	977	1,012	1,035
Loans receivable, net.....	20,718	21,129	20,899	21,421
Real estate acquired through foreclosure.....	29	28	28	28
Judgments, net.....	31	30	29	30
Total assets.....	25,552	25,298	25,566	25,776
Liabilities:				
Current.....	40	38	38	38
Equity of States:				
Non-interest-bearing capital:				
Start of year.....	29,616	27,961	26,977	26,455
Assets transferred under trust agreement net (—):				
Current assets.....		-346	-214	-214
Other.....	-1,657	-638	-308	-308
Adjustment for balance closed to trust upon return of assets to States.....	2			
End of year.....	27,961	26,977	26,455	25,933
Deficit (—).....	-2,449	-1,717	-927	-195
Total equity of States.....	25,512	25,260	25,528	25,738

Analysis of Equity of States (in thousands of dollars)

	1961 actual	1962 actual	1963 estimate	1964 estimate
Undisbursed loan obligations ¹	1,365	264	264	264
Unobligated balance.....	3,369	3,808	4,308	3,995
Invested capital and earnings.....	20,778	21,188	20,956	21,479
Total equity of States.....	25,512	25,260	25,528	25,738

¹ The change on this item is reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	97	98	97
Other personnel compensation.....			1
Total personnel compensation.....	97	98	98
12 Personnel benefits.....	7	7	7
21 Travel and transportation of persons.....	5	5	5
25 Other services.....	60	55	55
33 Investments and loans.....	4,421	4,500	4,500
44 Refunds.....	334	200	200
Undistributed charges.....	128	101	102
Total obligations.....	5,052	4,966	4,967

Personnel Summary

Total number of permanent positions.....	15	20	20
Average number of all employees.....	18	17	16
Number of employees at end of year.....	21	20	20
Average GS grade.....	6.7	6.8	6.8
Average GS salary.....	\$6,070	\$6,419	\$6,438

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs— obligations) (object class 22).....	1		
Financing:			
Receipts.....	1		

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

NATIONAL AGRICULTURAL LIBRARY

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Miscellaneous contributed funds (costs ¹ — obligations).....	9	27	

Program and Financing (in thousands of dollars)—Continued

	1962 actual	1963 estimate	1964 estimate
Financing:			
Unobligated balance brought forward.....		27	
Receipts.....	36		
Unobligated balance carried forward (—).....	—27		
Total financing.....	9	27	

¹ Includes capital outlay as follows: 1962, \$4 thousand.

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Positions other than permanent.....	4	9	
12 Personnel benefits.....		1	
21 Travel and transportation of persons.....	1		
24 Printing and reproduction.....		17	
31 Equipment.....	4		
Total obligations.....	9	27	

Personnel Summary

Average number of all employees.....	1	2	
Number of employees at end of year.....	3	0	
Average GS grade.....	6.4	6.3	
Average GS salary.....	\$5,798	\$6,099	

FOREST SERVICE

COOPERATIVE WORK

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Construction and maintenance of roads and trails.....	1,288	1,300	1,300
2. Construction and maintenance of other improvements.....	419	450	450
3. Protection of national forest and adjacent private land.....	2,835	2,950	2,950
4. Sale area betterment and scaling.....	12,831	14,150	17,150
5. Research investigations.....	980	1,000	1,000
6. Administration.....	63	70	70
7. Reforestation.....	68	80	80
Total program costs, funded ¹.....	18,484	20,000	23,000
Change in selected resources ²	409		
Total obligations.....	18,893	20,000	23,000
Financing:			
Unobligated balance brought forward.....	19,613	23,409	27,104
Receipts.....	22,689	23,695	24,945
Unobligated balance carried forward (—).....	—23,409	—27,104	—29,049
Total financing.....	18,893	20,000	23,000

¹ Includes capital outlay as follows: 1962, \$9,745 thousand; 1963, \$11,000 thousand; 1964, \$13,000 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$552 thousand; 1962, \$961 thousand; 1963, \$961 thousand; 1964, \$961 thousand.

Cooperative work.—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U.S.C. 498, 572, 572a, 576b, 581; 31 U.S.C. 725s).

Object Classification (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	6,000	6,714	7,241
Positions other than permanent.....	5,001	5,691	6,549
Other personnel compensation.....	415	465	618
Total personnel compensation.....	11,416	12,870	14,408
12 Personnel benefits.....	707	751	842
21 Travel and transportation of persons.....	248	292	315
22 Transportation of things.....	773	812	984
23 Rent, communications, and utilities.....	327	340	370
24 Printing and reproduction.....	54	50	60
25 Other services.....	1,991	2,004	2,911
Services of other agencies.....	608	626	650
26 Supplies and materials.....	1,663	1,636	1,800
31 Equipment.....	421	470	520
32 Lands and structures.....	791	302	350
41 Grants, subsidies, and contributions.....		39	
42 Insurance claims and indemnities.....	1		
44 Refunds.....	162	87	90
Subtotal.....	19,162	20,279	23,300
Deduct quarters and subsistence charges.....	269	279	300
Total obligations.....	18,893	20,000	23,000

Personnel Summary

Total number of permanent positions.....	1,251	1,330	1,375
Full-time equivalent of other positions.....	1,384	1,509	1,708
Average number of all employees.....	2,553	2,756	3,008
Number of employees at end of year.....	3,459	3,610	3,875
Average GS grade.....	7.1	7.2	7.2
Average GS salary.....	\$6,090	\$6,465	\$6,461
Average salary of ungraded positions.....	\$4,897	\$4,891	\$4,893

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

GIFTS AND DONATIONS

Program and Financing (in thousands of dollars)

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Exhibit program:			
Participation in Century 21 Exposition.....		15	
Participation in New York World's Fair.....		335	500
Total program costs, funded—obligations (object class 25).....		350	500
Financing:			
Unobligated balance brought forward.....		23	
Receipts.....	23	327	500
Unobligated balance carried forward (—).....	—23		
Total financing.....		350	500

This trust fund was established to account for gifts and donations from commercial exhibitors participating in the Century 21 Exposition (72 Stat. 1703) and New York World's Fair (75 Stat. 527).

DEPARTMENT OF AGRICULTURE—PERSONNEL COMPENSATION

AGRICULTURAL RESEARCH SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL RESEARCH SERVICE

	1962 actual		1963 estimate		1964 estimate	
Grades and ranges:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Special positions at rates equal to or in excess of \$20,000:						
Administrator.....	1	\$19,000	1	\$20,000	1	\$20,000
Associate administrator.....	1	18,500	1	20,000	1	20,000
GS-18. \$20,000:						
Deputy administrator, farm research.....	1	18,512	1	20,010	1	20,010
Deputy administrator, regulatory.....	1	18,512	1	20,010	1	20,010
Deputy administrator, research planning and coordination.....	1	18,512	1	20,010	1	20,010
Deputy administrator, utilization research and development.....	1	18,512	1	20,010	1	20,010
GS-17. \$18,000 to \$20,000:						
Assistant administrator, utilization research and development.....	1	17,056	1	19,011	1	19,510
GS-16. \$16,000 to \$18,000:						
Assistant administrator, farm research.....	1	15,787	1	17,014	1	17,514
Assistant administrator, regulatory programs.....	1	16,307	1	17,514	1	17,514
Deputy administrator, administrative management.....	1	16,307	1	18,013	1	18,013
Director, regulatory division.....	2	30,534	2	33,030	2	34,028
Director, research division.....	2	31,574	2	34,028	2	34,028
GS-15. \$14,565 to \$17,925:						
Agricultural engineer.....			1	15,059	1	15,059
Agronomist.....	1	14,061	1	15,059	1	15,059
Assistant administrator.....	2	29,432	2	32,989	2	32,989
Assistant branch chief, research.....			1	14,581	1	14,581
Assistant director, regulatory division.....	12	167,837	12	185,506	12	190,779
Assistant director, research division.....	14	198,518	22	333,218	22	333,218
Assistant director, research laboratory.....	2	28,767	2	31,554	2	31,554
Assistant to administrator.....	1	14,061	1	15,538	1	15,538
Assistant to administrator, farm research.....	2	30,347	2	31,553	2	32,032
Assistant to administrator, research advisory committee.....	1	15,038	1	16,973	1	16,973
Assistant to administrator, utilization research and development.....	2	28,455	3	46,613	3	47,570
Assistant to director, research.....	1	14,706	1	16,494	1	16,494
Associate director, regulatory division.....	1	14,061	2	30,119	2	31,075
Associate director, research division.....	5	73,195	6	96,096	6	96,096
Biologist.....	1	13,749	1	15,059	1	15,059
Branch chief, research.....	24	336,321	25	380,307	25	380,307
Chemist.....	3	42,204	4	61,672	4	62,151
Chief hydrologist.....	1	13,749	1	14,581	1	14,581
Chief physicist.....	1	13,749	1	14,581	1	14,581
Chief, research laboratory.....	30	424,661	34	521,196	34	521,196
Dairy husbandman.....	1	14,394	1	16,016	1	16,016
Director, administrative division.....			4	58,802	4	60,715
Director, administrative services division.....	1	15,038	1	16,973	1	16,973
Director, budget and finance division.....	1	15,309	1	17,451	1	17,451
Director, foreign regional research.....	2	28,122	2	30,597	2	30,597
Director, information division.....	1	15,038	1	16,973	1	16,973
Director, internal audit staff.....	1	15,309	1	17,451	1	17,451
Director, National Arboretum.....	1	14,394	1	15,538	1	15,538
Director, personnel division.....	1	13,749	1	15,538	1	16,016
Director, regulatory division.....	4	58,199	4	64,064	4	64,542
Director, research division.....	6	89,482	4	64,543	4	65,021
Entomologist.....	1	13,749	3	44,221	3	44,221
Geneticist.....	1	14,061	1	15,059	1	15,059
Head, biometric services.....	1	14,394	1	16,016	1	16,016
Horticulturist.....	1	14,061	1	15,538	1	15,538
Microbiologist.....	1	13,749	1	14,581	1	14,581
Nutrition specialist.....			1	17,451	1	17,451
Pathologist.....			2	29,162	2	29,162
Physicist.....	2	27,810	3	44,700	3	44,700
Physiologist.....	1	14,061	3	44,700	3	44,700
Plant pest control officer.....			5	73,861	5	75,295
Poultry husbandman.....			1	14,581	1	14,581
Soil scientist.....	5	68,745	5	74,817	5	74,817
Veterinarian.....	7	97,200	11	163,260	11	165,652
GS-14. \$12,845 to \$16,245:						
Administrative officer.....	5	63,730	5	68,493	5	69,346
Agricultural economist.....	4	51,000	4	52,685	4	52,685
Agricultural engineer.....	8	99,650	12	157,597	13	170,451
Agriculturist.....	11	142,020	11	155,811	11	158,350
Agronomist.....	15	185,720	21	277,048	21	277,048
Analytical statistician.....	3	38,250	4	55,223	4	56,076
Assistant branch chief, research.....	20	247,160	18	240,608	18	240,608
Assistant director, administrative services division.....	1	12,760	1	14,123	1	14,560
Assistant director, budget and finance division.....	2	26,270	2	26,124	2	26,977
Assistant director, foreign regional research.....	1	12,750	1	14,123	1	14,123
Assistant director, information division.....	1	12,480	1	13,707	1	14,123

	1962 actual		1963 estimate		1964 estimate	
Grades and ranges—Continued	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
GS-14. \$12,845 to \$16,245—Continued						
Assistant director, internal audit staff.....	2	\$25,480	2	\$27,830	2	\$28,246
Assistant director, personnel division.....	1	12,230	1	13,270	1	13,707
Assistant director, regulatory division.....	4	51,770	3	43,222	3	43,659
Assistant director, research division.....	14	179,770	9	122,447	9	123,300
Assistant to administrator, utilization research and development.....	1	13,520				
Assistant to director, administrative services division.....			1	12,854	1	13,270
Assistant to director, research division.....	5	63,730	1	14,123	1	14,123
Associate director, regulatory division.....	1	12,230	1	12,854	1	13,270
Bacteriologist.....	7	88,960	7	95,491	7	96,323
Biochemist.....	10	124,630	10	135,280	10	135,280
Biologist.....			1	12,854	1	13,270
Botanist.....	1	12,480	1	13,707	1	13,707
Branch chief, administrative services division.....	3	37,210	3	40,247	3	41,516
Branch chief, budget and finance division.....	3	38,250	3	41,100	3	41,516
Branch chief, information division.....	3	38,750	3	41,953	3	42,806
Branch chief, personnel division.....	4	52,020	4	55,639	4	56,076
Branch chief, research division.....	11	137,880	10	134,885	10	134,885
Branch chief, regulatory division.....	2	24,960	2	26,977	2	27,830
Business manager, regional business office.....	4	52,020				
Chemical engineer.....	4	50,210	5	67,245	5	67,245
Chemist.....	49	614,020	62	832,022	62	832,438
Chief, irrigation engineer.....			1	12,854	1	12,854
Chief, research laboratory.....	19	241,170	18	246,621	18	247,926
Cotton technologist.....	3	37,710	3	40,663	3	40,663
Dairy husbandman.....	1	13,270	2	25,708	2	25,708
Dairy manufacturing technologist.....	1	12,750	1	14,123	1	14,123
Director, data processing division.....	1	12,750	1	14,123		
Director, management research and organization division.....	1	12,750	1	13,707	1	14,123
Entomologist.....	15	185,240	19	248,802	19	249,655
Fiber technologist.....	1	12,750	1	13,707	1	13,707
Food technologist.....	1	12,480	1	13,707	1	13,707
Geneticist.....	8	99,630	10	134,469	10	134,469
Head, central project office.....	1	12,230	1	13,707	1	14,123
Home economist.....			1	13,707	1	14,123
Horticulturist.....	1	12,230	1	13,270	1	13,270
Hydraulic engineer.....	5	61,150	5	66,350	5	66,350
Industrial analyst.....			1	13,270	1	13,270
Mechanical engineer.....	1	12,230	1	13,270	1	13,270
Microbiologist.....	5	61,400	5	66,787	5	66,787
Mycologist.....	1	12,230	1	12,854	1	12,854
Parasitologist.....	8	99,380	8	107,887	8	107,887
Pathologist.....	13	161,030	16	212,383	16	212,383
Pharmacologist.....	2	26,270	2	29,952	2	29,952
Physical scientist.....	4	49,960	4	54,807	4	54,807
Physicist.....	2	24,460	2	26,540	2	26,540
Physiologist.....	10	124,090	11	146,449	11	146,865
Plant pest control officer.....	5	66,310	1	14,123	1	14,123
Plant quarantine officer.....	4	49,940	5	66,392	5	68,493
Poultry husbandman.....	2	25,230	1	13,270	1	13,270
Publication and information writer.....	1	12,480	1	13,270	1	13,707
Research coordinator.....	6	78,830	6	86,070	5	71,905
Safety officer.....	1	12,750	1	14,123	1	14,123
Superintendent.....	1	13,790	1	15,413	1	15,413
Soil scientist.....	11	135,030	15	197,823	15	197,823
Veterinarian.....	78		88		88	
Zoologist.....	1	983,850	1	1,191,391	1	1,200,616
GS-13. \$11,150 to \$14,070.....	769		890		910	
		8,478,121		10,444,391		10,716,506
GS-12. \$9,475 to \$11,995.....	1,380		1,594		1,622	
		12,949,961		15,924,453		16,265,804
GS-11. \$8,045 to \$10,165.....	1,969		2,060		2,144	
		15,683,195		17,664,297		18,437,949
GS-10. \$7,290 to \$9,495.....	1	7,821	2	16,078	2	16,328
GS-9. \$6,675 to \$8,700.....	1,570		1,622		1,689	
		10,959,386		12,072,429		12,527,786
GS-8. \$6,090 to \$7,935.....	543		575		585	
		3,660,740		4,085,598		4,167,184
GS-7. \$5,540 to \$7,205.....	2,837		3,096		3,270	
		16,839,960		19,089,506		20,187,688
GS-6. \$5,035 to \$6,565.....	197		207		204	
		1,102,543		1,209,609		1,192,747
GS-5. \$4,565 to \$6,005.....	2,326		2,476		2,527	
		11,228,968		12,411,076		12,672,644
GS-4. \$4,110 to \$5,370.....	1,231		1,308		1,334	
		5,434,400		5,999,350		6,098,863
GS-3. \$3,820 to \$4,830.....	1,148		1,111		1,100	
		4,646,813		4,659,110		4,612,831
GS-2. \$3,560 to \$4,505.....	213		178		174	
GS-1. \$3,245 to \$4,190.....	41		30		30	
		142,347		111,151		111,151
Rates established by the act of June 20, 1958 (5 U.S.C. 1161(c)):						
Deputy administrator, nutrition and consumer use research.....	1	18,500	1	20,000	1	20,000
Chief scientist.....	1	19,000	1	20,000	1	20,000
Director, research division.....	6	94,500	8	141,500	8	141,500

AGRICULTURAL RESEARCH SERVICE—Continued

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL RESEARCH SERVICE—Con.

	1962 actual	1963 estimate	1964 estimate
Grades and ranges—Continued			
Salaries established under the act of April 24, 1948 (21 U.S.C. 113a):			
Assistant director, research laboratory		2 \$35,000	2 \$35,000
Chief scientist	1 \$16,000		
Director, research division	1 15,500	1 17,500	1 17,500
Director, research laboratory	2 35,000	2 37,500	2 37,500
Grades established under the foreign nationals pay plan:			
Mexico:			
FS-10. \$2,107 to \$2,744	1 2,638	1 2,638	1 2,638
FS-8. \$1,511 to \$1,973	1 1,511	1 1,511	1 1,511
FS-6. \$1,008 to \$1,315	2 2,323	2 2,323	2 2,323
FS-5. \$824 to \$1,077	4 3,466	4 3,466	4 3,466
FS-4. \$641 to \$839	3 1,989	4 2,729	4 2,729
FS-3. \$550 to \$714	6 3,628	3 1,787	3 1,787
FS-2. \$458 to \$601	5 2,600	5 2,647	5 2,647
FS-1. \$385 to \$506	9 3,845	10 4,211	10 4,211
Italy:			
FS-5. \$1,874 to \$2,372		1 2,035	1 2,035
France:			
FS-10. \$3,407 to \$3,967		1 3,407	1 3,407
FS-8. \$2,842 to \$3,400	3 9,549	2 6,628	2 6,628
FS-7. \$2,563 to \$2,121	1 2,842	1 2,940	1 2,940
FS-4. \$1,658 to \$2,077		1 2,147	1 2,147
FS-3. \$1,654 to \$2,073	1 2,073		
Morocco:			
FS-6. \$1,676 to \$2,100	1 1,676	1 1,779	1 1,779
Grades established under the Alaska pay plan:			
TE-14. \$17,070 to \$20,000:			
Soil scientist	1 17,389	1 18,845	1 18,845
TE-13. \$14,665 to \$18,745:			
Agricultural engineer	1 14,747	1 16,204	1 16,204
Agronomist	1 13,998	1 14,685	1 14,685
Animal husbandman	1 15,122	1 16,204	1 16,204
Pathologist	1 14,747	1 15,704	1 15,704
TE-12. \$12,420 to \$16,020:			
Administrative officer	1 13,250	1 14,228	1 14,228
Agricultural economist		1 12,439	1 12,439
Agronomist	2 24,627	2 26,230	2 26,230
Entomologist	1 13,250	1 14,228	1 14,228
Horticulturist	1 11,752	1 12,876	1 12,876
Soil scientist	1 12,875	1 13,791	1 13,791
TE-11. \$10,500 to \$13,540:			
TE-9. \$8,640 to \$11,340	3 27,457	3 33,156	3 33,156
TE-5. \$5,975 to \$7,910	2 13,146	3 19,907	3 19,907
TE-4. \$5,405 to \$6,935	3 17,223	3 18,097	3 18,097
TE-3. \$5,020 to \$6,230	5 25,500	4 20,386	4 20,386
Ungraded positions at annual rates:			
\$12,845 and above:			
Animal husbandman	2 32,100	2 32,500	2 32,500
Veterinarian	1 12,600	1 12,600	1 12,600
Less than \$12,845	255 675,899	265 675,793	265 675,793
Ungraded positions at hourly rates equivalent to less than \$12,845	2,000 9,545,869	2,185 10,519,465	2,019 9,973,528
Total permanent	17,133 110,216,426	18,326 125,319,215	18,601 128,107,799
Deduct—			
Lapses	1,378.8 7,634,739	1,391.2 8,208,962	1,182.9 6,925,164
Portion of salaries shown above paid by States	75.0 524,772	74.4 540,731	74.4 544,631
Portion of salaries shown above paid from other accounts	5.2 44,631	7.1 56,836	7.1 60,154
Net decrease due to lower pay scales for part of year		1,681,218	
Add—			
Portion of salaries carried in other position schedules paid from this account	2.4 17,136	2.4 19,082	2.2 17,511
Net increase due to wage-board pay adjustment	21,389		
Net increase due to higher pay scales for part of year			2,365,389
Net permanent (average number, net salary):			
United States and possessions	15,415.4 101,254,347	16,577.8 114,012,950	17,060.9 122,105,750
Foreign countries:			
U. S. rates	55.5 493,662	56.9 535,800	56.9 553,200
Local rates	205.5 284,800	221.0 301,800	221.0 301,800
Positions other than permanent:			
Temporary employment:			
United States and possessions	3,594,090	3,822,221	3,476,792
Foreign countries: Local rates	19,804	34,100	34,100
Part-time employment:			
United States and possessions	569,479	619,833	615,762
Foreign countries: Local rates	156		
Intermittent employment:			
United States and possessions	1,193,338	1,335,096	1,200,096
Foreign countries:			
U. S. rates		2,600	2,600
Local rates	1,877	2,700	2,700

	1962 actual	1963 estimate	1964 estimate
Other personnel compensation:			
Regular pay above 52-week base			\$962,500
Overtime and holiday pay	\$6,536,264	\$6,708,800	7,032,400
Nightwork differential	242,356	253,400	263,800
Flight differential	1,082	5,000	2,500
Additional pay for service abroad	211,458	226,100	234,700
Total personnel compensation	114,402,713	127,860,400	136,788,700
Salaries and wages are distributed as follows:			
"Salaries and expenses"	\$101,865,413	\$114,575,200	\$123,302,100
"Salaries and expenses" (special foreign currency program)	49,166	77,400	78,500
"Working capital fund, Agricultural Research Center"	2,214,079	2,340,900	2,271,200
"Advances and reimbursements"	9,942,820	10,415,500	10,728,400
"Trust funds"	331,235	451,400	408,500

COOPERATIVE STATE EXPERIMENT STATION SERVICE

PAYMENTS AND EXPENSES

	1962 actual	1963 estimate	1964 estimate
Grades and ranges:			
Special positions at rates equal to or in excess of \$18,000:			
Administrator	1 \$19,000	1 \$20,000	1 \$20,000
GS-16. \$16,000 to \$18,000:			
Deputy administrator	1 15,787	1 17,514	1 17,514
Assistant administrator for management		1 16,016	1 16,016
GS-15. \$14,565 to \$17,925:			
Assistant administrator	1 14,706	1 16,494	1 16,494
Assistant to administrator	1 14,706	3 45,656	3 46,612
Directors	4 57,867	5 79,600	5 80,079
GS-14. \$12,845 to \$16,245:			
Agricultural economist	4 50,710	5 69,367	5 70,199
Agricultural engineer	2 25,750	1 14,560	1 14,976
Agronomist	2 24,980	2 27,393	2 27,830
Animal husbandman	1 13,000	1 14,560	1 14,560
Dairy husbandman	1 13,000	1 14,560	1 14,560
Director, management services		1 13,270	1 13,270
Editor		1 13,270	1 13,270
Entomologist	1 13,270	1 13,270	1 13,270
Food technologist		1 13,270	1 13,270
Human nutritionist	1 13,270	1 14,123	1 14,560
Information specialist	1 13,000	1 14,123	1 14,123
Physiologist	1 12,750	1 14,581	1 15,059
Poultry geneticist		1 14,123	1 14,123
Poultry husbandman	1 12,750	1 13,707	1 14,123
Research coordinator	1 12,750	1 13,270	1 13,270
Rural sociologist	1 12,480	1 13,270	1 13,270
Program officer		2 29,099	2 29,099
Soil scientist	1 13,270	1 14,123	1 14,123
Veterinarian	1 12,750	1 14,123	1 14,123
GS-13. \$11,150 to \$14,070:	15 166,949	12 139,070	14 163,969
GS-12. \$9,475 to \$11,995:	2 17,930	2 19,282	2 19,594
GS-11. \$8,045 to \$10,165:		1 8,050	1 8,050
GS-9. \$6,675 to \$8,700:	3 21,966	3 24,108	3 24,316
GS-7. \$5,540 to \$7,205:	6 37,422	7 45,864	7 45,864
GS-6. \$5,035 to \$6,565:	8 43,806	8 45,988	8 46,321
GS-5. \$4,565 to \$6,005:	38 193,944	40 213,217	41 220,197
GS-4. \$4,110 to \$5,370:	4 18,096	4 18,552	3 13,602
GS-3. \$3,820 to \$4,830:	2 8,071	2 8,424	1 4,597
GS-2. \$3,560 to \$4,505:	3 11,897	3 12,502	3 12,606
Total permanent	108 885,877	116 1,037,736	117 1,066,246
Deduct—			
Lapses	5.9 52,010	5.8 47,271	7.4 69,097
Portion of salaries shown above paid from other accounts	0.6 4,941		
Net decrease due to lower pay scales for part of year		50,686	
Add net increase due to higher pay scales for part of year			38,630
Net permanent (average number, net salary)	101.5 828,926	110.2 936,779	109.6 1,035,779
Positions other than permanent:			
Temporary employment	3,795	4,000	2,000
Intermittent employment	17,065	18,000	18,000
Other personnel compensation:			
Regular pay above 52-week base			7,000
Overtime and holiday pay	1,035		
Total personnel compensation	850,821	958,779	1,062,779

EXTENSION SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE EXTENSION SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-18. \$20,000:						
Administrator.....	1	\$18,512	1	\$20,010	1	\$20,010
GS-17. \$18,000 to \$20,000:						
Deputy administrator.....	1	16,536	1	18,013	1	18,512
GS-16. \$16,000 to \$18,000:						
Assistant administrator.....	2	31,574	2	34,528	2	35,027
GS-15. \$14,565 to \$17,925:						
Division director.....	7	98,469	8	123,823	8	125,736
Field assistant to the administrator.....	2	28,787	2	29,162	2	29,162
Program leader.....	2	30,076	3	47,092	3	47,570
GS-14. \$12,845 to \$16,245:						
Assistant division director.....	7	89,460	7	96,781	7	98,029
Branch chief.....	13	167,250	13	181,977	13	184,078
Director, internal audit.....	1	12,230	1	13,707	1	13,707
Program leader.....	2	27,040	13	167,518	13	171,720
GS-13. \$11,150 to \$14,070:						
GS-12. \$9,475 to \$11,995:						
GS-11. \$8,045 to \$10,165:						
GS-9. \$6,675 to \$8,700:						
GS-8. \$6,090 to \$7,935:						
GS-7. \$5,540 to \$7,205:						
GS-6. \$5,035 to \$6,565:						
GS-5. \$4,565 to \$6,005:						
GS-4. \$4,110 to \$5,370:						
GS-3. \$3,820 to \$4,830:						
GS-2. \$3,560 to \$4,505:						
GS-1. \$3,245 to \$4,190:						
Ungraded positions at hourly rates equivalent to less than \$12,845.....	2	7,717	2	8,070	2	8,174
Total permanent.....	245	1,978,007	269	2,366,348	258	2,290,597
Deduct—						
Lapses.....	20.9	154,902	21.0	198,453	18.3	179,209
Net decrease due to lower pay scales for part of year.....				49,232		
Portion of salaries shown above paid from other accounts.....	1.3	13,366	0.6	6,956	0.6	6,956
Add—						
Net increase due to higher pay scales for part of year.....						47,622
Portion of salaries carried in other position schedules paid from this account.....	0.1	1,536				
Net permanent (average number, net salary).....	222.9	1,811,275	247.4	2,111,707	239.1	2,152,054
Positions other than permanent:						
Temporary employment.....		11,455		4,345		
Part-time employment.....		9,556		11,882		9,122
Other personnel compensation:						
Regular pay above 52-week base.....						14,352
Overtime and holiday pay.....		4,906				
Payments to other agencies for reimbursable details.....		5,798		3,749		4,176
Total personnel compensation.....		1,842,990		2,131,633		2,179,704
Salaries and wages are distributed as follows:						
"Cooperative extension work, payments and expenses".....		\$1,780,116		\$1,936,023		\$2,070,336
"Advances and reimbursements".....		55,710		150,395		109,368
"Civil Defense and defense mobilization functions of Federal agencies (transfer to Agriculture)".....		7,164		45,265		

FARMER COOPERATIVE SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO FARMER COOPERATIVE SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-16. \$16,000 to \$18,000:						
Administrator.....	1	\$15,517	1	\$17,014	1	\$17,514
GS-15. \$14,565 to \$17,925:						
Deputy administrator.....			1	15,059	1	15,538
Director of division.....	3	41,247	3	44,221	3	45,656
GS-14. \$12,845 to \$16,245:						
Agricultural economist.....			5	65,123	5	67,203
Assistant director.....	1	12,230	1	12,854	1	13,270
Director of division.....			2	25,708	2	26,540
GS-13. \$11,150 to \$14,070:						
GS-12. \$9,475 to \$11,995:						
GS-11. \$8,045 to \$10,165:						
GS-9. \$6,675 to \$8,700:						
GS-8. \$6,090 to \$7,935:						

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges—Continued						
GS-7. \$5,540 to \$7,205.....	6	\$36,192	5	\$30,345	5	\$29,433
GS-6. \$5,035 to \$6,565.....	4	23,296	6	35,236	6	35,569
GS-5. \$4,565 to \$6,005.....	24	126,143	25	130,375	27	139,067
GS-4. \$4,110 to \$5,370.....	6	26,312	4	17,450	4	17,596
GS-3. \$3,820 to \$4,830.....	6	23,547	5	20,903	6	24,626
GS-2. \$3,560 to \$4,505.....	3	11,377	2	8,300	2	8,300
GS-1. \$3,245 to \$4,190.....	1	3,203	1	3,370	1	3,370
Total permanent.....	118	898,669	115	936,342	123	1,012,067
Deduct—						
Lapses.....	11.8	69,489	4.3	22,378	5.4	44,076
Portion of salaries shown above paid from other accounts.....	0.2	2,020	0.4	4,948	0.4	5,076
Net decrease due to lower pay scales for part of year.....				12,046		
Add net increase due to higher pay scales for part of year.....						22,675
Net permanent (average number, net salary).....	106	827,160	110.3	896,970	117.2	985,590
Other personnel compensation:						
Regular pay above 52-week base.....						7,635
Overtime and holiday pay.....		590				
Total personnel compensation.....		\$27,750		896,970		993,225
Salaries and wages are distributed as follows:						
"Salaries and expenses".....		\$822,313		\$880,390		\$977,400
"Advances and reimbursements".....		5,437		16,580		15,825

SOIL CONSERVATION SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE SOIL CONSERVATION SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
Special positions at rates equal to or in excess of \$18,500:						
Administrator.....	1	\$19,000	1	\$19,000	1	\$19,000
GS-17. \$18,000 to \$20,000:						
Deputy administrator.....	1	17,576	1	20,010	1	20,010
GS-16. \$16,000 to \$18,000:						
Assistant administrator, management.....	1	15,787	1	17,514	1	17,514
Assistant administrator, field services.....	1	16,307	1	18,013	1	18,013
Assistant administrator, soil survey.....	1	16,037	1	18,013	1	18,013
Assistant administrator, watersheds.....	1	15,517	1	17,014	1	17,514
GS-15. \$14,565 to \$17,925:						
Assistant to the administrator.....	2	29,370	4	61,673	4	63,585
Assistant to assistant administrator for watersheds.....	1	15,038	1	16,973	1	16,973
Assistant to deputy administrator.....			1	14,581	1	15,059
Director, administrative services division.....	1	14,394	1	16,016	1	16,016
Director, budget and finance division.....	1	14,394	1	16,016	1	16,016
Director, cartographic division.....	1	14,061	1	15,538	1	16,016
Director, engineering division.....	1	15,038	1	16,973	1	16,973
Director, farm and ranch planning division.....	1	14,061	1	15,538	1	16,016
Director, information and education division.....	1	14,394	1	16,016	1	16,016
Director, internal audit staff.....	1	13,749	1	15,059	1	15,537
Director, personnel division.....	1	14,394	1	16,016	1	16,016
Director, plant technology division.....	1	15,038	1	16,973	1	16,973
Director, river basins divisions.....	1	14,706	1	16,494	1	16,494
Director, watershed planning division.....	1	14,061	1	15,538	1	16,016
Field representatives.....	5	72,572	5	80,559	5	81,993
Soil scientists.....	5	69,993	5	77,211	5	79,602
State conservationist.....	1	14,061	2	30,597	2	31,554
GS-14. \$12,845 to \$16,245:						
Agronomist.....	1	13,270	1	14,976	1	14,976
Assistant director, administrative divisions.....	4	49,940	4	54,807	4	56,076
Assistant director, engineering division.....	1	13,520	1	12,854	1	13,270
Assistant director, information and education division.....	1	12,480	1	13,707	1	14,123
Assistant director, plant technology division.....	1	12,750	1	14,123	1	14,123
Assistant director, watershed planning division.....	1	12,480	1	13,707	1	14,123
Assistant to administrator.....	1	12,230				
Assistant to assistant administrator.....	1	13,520				
Biologist.....	1	13,520	1	14,976	1	15,413
Branch chief, administrative divisions.....	10	124,320	10	135,322	10	139,586
Cartographer.....	1	12,230	1	13,270	1	13,707
Chief, design and construction branch.....	1	13,520	1	15,413	1	15,413
Chief, hydrology branch.....	1	13,520	1	15,413	1	15,413
Chief, information service branch.....	1	12,480	1	13,707	1	14,123
Chief, program service branch.....	1	12,230	1	13,270	1	13,707
Chief, programing branch.....	1	12,480	1	13,707	1	14,123
Chief, projects branch.....	1	12,480	1	13,707	1	14,123
Director, Caribbean area.....	1	13,000	1	14,560	1	14,560
Engineer, agricultural.....	1	12,230	1	13,270	1	13,707

SOIL CONSERVATION SERVICE—Continued

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE SOIL CONSERVATION SERVICE—CON.

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges—Continued						
GS-14, \$12,845 to \$16,245—Continued						
Engineer, civil.....	3	\$36,690	3	\$39,810	3	\$41,121
Geologist.....	3	37,210	3	40,663	3	41,537
Head, engineering and watershed planning unit.....	6	76,980	6	84,720	6	86,051
Head, field cartographic unit.....	5	61,150	5	64,225	5	65,515
Plant materials specialist.....	1	13,520	1	14,976	1	15,413
Range conservationist.....	1	12,480	1	13,707	1	14,123
Soil conservationist.....	11	139,170	12	165,960	12	169,581
Soil correlator.....	2	64,270	5	71,468	5	71,468
Soil scientist.....	7	85,860	7	93,327	7	96,365
State conservationist.....	42	548,700	46	649,520	46	662,630
Woodland conservationist.....	1	13,520	1	14,976	1	15,413
Head, reproduction branch.....			1	12,854	1	13,270
Head, map construction branch.....			1	13,270	1	13,707
GS-13, \$11,150 to \$14,070.....	364		403		419	
		4,005,972		4,740,549		4,919,089
GS-12, \$9,475 to \$11,995.....	704		747		839	
		6,585,856		7,472,988		8,345,608
GS-11, \$8,045 to \$10,165.....	1,959		2,199		2,232	
		15,686,178		18,947,082		19,202,572
GS-10, \$7,290 to \$9,495.....	2	16,307	4	34,628	4	35,628
GS-9, \$6,675 to \$8,700.....	3,472		3,395		3,440	
		24,495,731		25,754,018		26,032,784
GS-8, \$6,090 to \$7,935.....	3	19,469	10	67,910	10	69,960
GS-7, \$5,540 to \$7,205.....	2,084		2,106		2,176	
		12,554,159		13,210,593		13,556,873
GS-6, \$5,035 to \$6,565.....	1,998		2,191		2,203	
		11,150,582		12,740,475		12,751,915
GS-5, \$4,565 to \$6,005.....	2,381		2,232		2,317	
		11,631,526		11,346,606		11,749,238
GS-4, \$4,110 to \$5,370.....	1,532		1,559		1,588	
		6,608,935		6,976,525		7,096,430
GS-3, \$3,820 to \$4,830.....	788		803		803	
		3,162,545		3,261,786		3,285,530
GS-2, \$3,560 to \$4,505.....	195	722,667	138	521,026	138	527,716
GS-1, \$3,245 to \$4,190.....	1	3,619	1	3,890	1	3,994
Ungraded positions at annual rates less than \$12,845.....	24	155,072	79	547,886	78	540,930
Ungraded positions at hourly rates equivalent to less than \$12,845.....	185		127		112	
		1,043,871		649,672		563,614
Total permanent.....	15,839		16,150		16,516	
		99,783,787		108,523,234		110,975,540
Deduct—						
Lapses.....	1,090.2		805.4		992.7	
		5,420,454		3,503,967		4,596,991
Net decreases due to lower pay scales for part of year.....				1,821,305		
Portion of salaries shown above paid by States.....	5.2	44,584	5.3	50,938	5.3	51,000
Portion of salaries shown above paid from other accounts.....	5.6	41,681	10.3	93,102	11.0	95,066
Add—						
Net increase due to higher pay scales for part of year.....					2,295,517	
Portion of salaries carried in other position schedules paid from this account.....	1.4	13,688				
Net permanent (average number, net salary).....	14,739.4		15,329.0		15,507.0	
		94,290,756		103,053,922		108,528,000
Positions other than permanent:						
Temporary employment.....	26.1		17.0		18.0	
		110,019		76,000		80,000
Part-time employment.....	103.6		101.2		100.0	
		425,783		440,350		410,000
Intermittent employment.....	1,392.0		1,432.9		1,500.0	
		5,289,053		5,735,000		5,442,000
Other personnel compensation:						
Regular pay above 52-week base.....						800,000
Overtime and holiday pay.....	517,613		600,000		500,000	
Nightwork differential.....	89					
Post differential and cost of living allowances.....	139,274		146,000		150,000	
Payments to other agencies for reimbursable details.....	14,219		23,013		25,000	
Total personnel compensation.....	100,786,806		110,074,285		115,935,000	
Salaries and wages are distributed as follows:						
"Conservation operations".....	\$69,889,546		\$74,413,018		\$78,994,000	
"Watershed protection".....	14,646,082		18,252,625		18,640,000	
"Flood prevention".....	5,446,083		6,300,870		6,031,000	
"Great Plains conservation program".....	2,147,110		2,474,655		2,913,000	
"Resource conservation and development".....					605,000	
"Water conservation and utilization projects".....	1,474		375			
"Miscellaneous contributed funds".....	254,604		298,912		352,000	
"Advances and reimbursements".....	8,401,907		8,333,830		8,400,000	

ECONOMIC RESEARCH SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE ECONOMIC RESEARCH SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-18, \$20,000:						
Administrator.....	1	\$18,512	1	\$20,010	1	\$20,010
GS-17, \$18,000 to \$20,000:						
Deputy administrator.....	1	16,536	1	18,013	1	18,512
GS-16, \$16,000 to \$18,000:						
Agricultural economist.....	1	16,307	1	16,016	1	16,016
Deputy administrator.....	1	16,307	1	18,013	1	18,013
Division director.....	4	63,906	3	50,544	3	51,043
Executive director.....	1	15,267	1	16,016	1	16,515
Outlook officer.....	1	16,307	1	18,013	1	18,013
GS-15, \$14,565 to \$17,925:						
Agricultural economist.....	4	56,285	3	43,743	3	44,699
Agricultural production specialist.....	2	27,498				
Assistant director.....	4	58,033	4	60,237	4	61,193
Assistant to administrator.....			1	17,930	1	17,930
Assistant to director.....	1	15,829				
Branch chief.....	18	255,115	19	286,662	19	289,112
Deputy director.....	1	15,309	1	16,973	1	17,451
Division director.....	4	56,909	4	60,716	4	62,151
GS-14, \$12,845 to \$16,245:						
Agricultural administrator.....	1	13,520				
Agricultural economist.....	35	441,940	28	378,968	32	435,876
Assistant branch chief.....	2	26,210	3	38,978	3	39,831
Branch chief.....	4	48,920	7	91,226	7	93,369
Deputy director.....	1	13,000				
Information specialist.....	1	12,480				
International trade economist.....	1	12,750				
Section head.....	31	390,200	30	400,414	30	406,445
Staff assistant.....			1	14,976	1	15,413
Statistician.....	1	12,230	1	12,854	1	13,270
Veterinary analyst.....	1	12,750	1	13,707	1	14,123
GS-13, \$11,150 to \$14,070.....	129		123		131	
		1,425,752		1,457,319		1,551,270
GS-12, \$9,475 to \$11,995.....	141		152		164	
		1,320,372		1,531,336		1,649,572
GS-11, \$8,045 to \$10,165.....	149		146		158	
		1,177,752		1,222,906		1,332,938
GS-9, \$6,675 to \$8,700.....	134	905,770	98	693,960	114	815,145
GS-8, \$6,090 to \$7,935.....	6	39,147	5	34,891	5	35,392
GS-7, \$5,540 to \$7,205.....	117	690,998	102	622,100	108	661,037
GS-6, \$5,035 to \$6,565.....	59	327,229	58	336,406	58	342,251
GS-5, \$4,565 to \$6,005.....	196		187		194	
		972,638		969,648		1,012,812
GS-4, \$4,110 to \$5,370.....	181	811,307	167	763,155	172	788,389
GS-3, \$3,820 to \$4,830.....	103	420,083	102	420,894	106	440,362
GS-2, \$3,560 to \$4,505.....	22	78,370	15	56,344	15	57,072
GS-1, \$3,245 to \$4,190.....	13	43,823	6	20,832	6	21,144
Ungraded positions at annual rates less than \$12,845.....	19	107,754	17	103,726	17	103,726
Total permanent.....	1,390		1,290		1,364	
		9,936,808		9,827,526		10,480,095
Deduct—						
Lapses.....	434.2		241.1		275.3	
		2,867,943		1,426,482		1,560,429
Portion of salaries shown above paid from other accounts.....	7.1	44,925	9.3	73,190	7.3	62,872
Paid by States.....	2.0	17,027	2.4	21,819	2.4	22,394
Net decrease due to lower pay scales for part of year.....				164,485		
Add—						
Portion of salaries carried in other position schedules paid from this account.....	2.0	17,224	2.0	16,670	2.0	17,906
Net increase due to higher pay scales for part of year.....						202,527
Net permanent (average number, net salary).....	948.7		1,039.2		1,081.0	
		7,024,137		8,158,220		9,054,833
Positions other than permanent:						
Temporary employment.....	58,689		109,310		122,438	
Part-time employment.....	65,627		57,502		55,070	
Intermittent employment.....	145,803		188,077		236,861	
Other personnel compensation:						
Regular pay above 52-week base.....						71,794
Overtime and holiday pay.....	37,660		23,778		24,901	
Post differentials and cost of living allowances.....				865		907
Additional pay for service abroad.....	1,574		1,632		1,714	
Total personnel compensation.....	7,333,490		8,539,384		9,568,518	
Salaries and wages are distributed as follows:						
"Salaries and expenses".....	\$6,548,453		\$7,537,395		\$8,350,271	
"Advances and reimbursements".....	530,468		638,791		681,879	
"Watershed protection," Soil Conservation Service.....	227,247		328,676		454,859	
"Flood prevention," Soil Conservation Service.....	21,366		26,167		27,673	
"Economic Research Service trust funds".....	5,956		8,355		8,836	
"Resource conservation and development," Soil Conservation Service.....					45,000	

STATISTICAL REPORTING SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO STATISTICAL REPORTING SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
GS-18. \$20,000:						
Administrator			1	\$20,010	1	\$20,010
GS-17. \$18,000 to \$20,000:						
Administrator	1	\$17,576				
GS-16. \$16,000 to \$18,000:						
Deputy administrator	1	16,307	1	16,515	1	16,515
GS-15. \$14,565 to \$17,925:						
Agricultural economist	2	27,810	2	29,640	2	29,640
Branch chief	5	69,765	9	138,405	9	138,405
Deputy division director	1	14,061	1	15,538	1	15,538
Division director	5	73,153	5	78,644	5	78,644
GS-14. \$12,845 to \$16,245:						
Assistant branch chief			1	14,560	1	14,560
Assistant to the administrator	1	12,230				
Branch chief	9	115,000	5	67,661	5	67,661
Chief, surveys operating group	1	12,230	1	13,270	1	13,270
Deputy division director			1	12,854	1	12,854
Mathematical statistician	1	12,230	1	13,270	3	38,978
Section head	12	149,340	9	123,342	9	123,342
Social science analyst			1	12,854	1	12,854
Statistician in charge	9	116,790	9	127,191	9	127,191
GS-13. \$11,150 to \$14,070:	75	860,485	79	952,819	81	975,159
GS-12. \$9,475 to \$11,995:	101	968,365	98	1,004,746	105	1,071,141
GS-11. \$8,045 to \$10,165:	104	816,037	102	852,290	114	948,890
GS-9. \$6,675 to \$8,700:	107	731,443	117	817,446	129	904,265
GS-8. \$6,090 to \$7,935:	4	26,375	4	28,493	4	28,493
GS-7. \$5,540 to \$7,205:	129	755,686	106	632,686	113	671,564
GS-6. \$5,035 to \$6,565:	37	197,787	29	167,097	29	167,097
GS-5. \$4,565 to \$6,005:	185	926,302	170	862,857	175	885,737
GS-4. \$4,110 to \$5,370:	253	1,109,855	258	1,167,648	276	1,241,772
GS-3. \$3,820 to \$4,830:	285	1,132,852	252	1,047,614	267	1,105,019
GS-2. \$3,560 to \$4,505:	63	233,509	49	184,879	49	184,879
GS-1. \$3,245 to \$4,190:	6	20,466	4	13,576	4	13,576
Ungraded positions at annual rates equivalent to \$12,845 or above:						
Mathematical statistician	1	13,000	1	13,600	1	13,600
Ungraded positions at annual rates equivalent to less than \$12,845:						
	13	57,461	12	55,464	12	55,464
Ungraded positions at hourly rates equivalent to less than \$12,845:						
	1	7,100				
Total permanent	1,412	8,493,215	1,328	8,434,969	1,408	8,976,118
Deduct—						
Lapses	329.2	1,924,980	125.8	690,883	109.0	628,126
Portion of salaries shown above paid—						
From other accounts	12.1	108,224	12.8	112,100	12.8	116,100
By States	60.0	341,411	36.7	249,063	36.7	249,063
Net decrease due to lower pay scales for part of year				108,531		
Add net increase due to higher pay scales for part of year						168,898
Net permanent (average number, net salary)	1,010.7	6,118,600	1,152.7	7,324,392	1,249.5	8,151,727
Positions other than permanent:						
Temporary employment		31,249		76,200		76,200
Part-time employment		14,576		9,400		9,400
Intermittent employment		694,885		589,400		888,400
Other personnel compensation:						
Regular pay above 52-week base						62,000
Overtime and holiday pay		25,914		43,000		49,000
Nightwork differential		569		1,200		1,500
Post differentials and cost-of-living allowances		8,732		9,800		10,500
Total personnel compensation		6,894,525		8,053,392		9,248,727
Salaries and wages are distributed as follows:						
"Salaries and expenses"		\$6,024,856		\$7,150,175		\$8,094,577
"Advances and reimbursements"		862,224		869,382		1,154,150
"Trust funds"		7,445		3,835		

AGRICULTURAL MARKETING SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL MARKETING SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
GS-18. \$20,000:						
Administrator	1	\$18,512	1	\$20,010	1	\$20,010
Associate administrator	1	18,512	1	20,010	1	20,010
GS-16. \$16,000 to \$18,000:						
Assistant deputy administrator, regulatory programs			1	16,016	1	16,515
Deputy administrator, management	1	16,307	1	18,013	1	18,013
Deputy administrator, marketing services	1	15,517	1	16,515	1	17,014
Deputy administrator, regulatory programs	1	15,517	1	16,016	1	16,515
Division director	7	111,009	9	156,125	9	157,081
GS-15. \$14,565 to \$17,925:						
Acting division director	1	13,749	1	14,581		
Agricultural economist	1	14,706				
Agricultural engineer	1	14,394	1	15,538	1	16,016
Area supervisor			5	75,325	5	76,281
Assistant division director			2	30,119	2	30,597
Assistant to administrator	1	13,749	1	14,581	1	15,059
Assistant to deputy administrator, management			1	14,581	1	14,581
Assistant to deputy administrator, marketing research	1	14,706	1	16,016	1	16,016
Branch chief	11	155,358	11	168,043	11	169,477
Deputy administrator, marketing services	1	15,038				
Deputy administrator, regulatory programs	1	15,038				
Deputy division director	17	245,111	19	289,952	19	291,386
Director, matching fund program	1	13,749	1	14,581	1	15,059
Division director	10	149,864	9	150,363	8	134,347
Legislative liaison officer	1	15,038	1	16,494	1	16,973
Staff economist	1	14,061	1	15,538	1	16,016
GS-14. \$12,845 to \$16,245:						
Acting deputy division director	1	13,520	1	14,976		
Administrative officer	3	39,810	3	41,953	3	40,684
Agricultural economist	2	25,230	1	14,560	1	14,560
Area supervisor	15	189,610	10	135,468	10	136,779
Assistant branch chief	9	111,840	9	119,472	9	119,472
Assistant to deputy administrator, management			2	25,708	2	25,708
Assistant to deputy administrator, marketing services	1	12,750				
Assistant to division director	7	90,000	9	125,027	9	125,027
Branch chief	40	519,240	50	681,733	50	683,918
Chief, area office	4	51,770	5	69,135	5	69,135
Chief auditor	1	12,750	1	13,707	1	14,123
Chief investigator	1	12,230	1	13,270	1	13,707
Dairy products marketing specialist			7	95,470	7	96,302
Deputy division director	2	25,750	6	81,784	5	67,640
District supervisor	9	111,610	6	80,850	6	81,682
Division director	3	39,810	3	43,680	3	44,096
Economist	1	13,790				
Federal-State supervisor			1	12,854	1	13,270
Marketing research analyst			3	38,978	3	39,394
Marketing specialist			3	38,562	3	38,978
Research cotton technologist	1	12,480	2	27,393	2	27,830
Research physicist	1	12,230	1	12,854	1	13,270
Research plant pathologist			1	12,854	1	13,270
Research plant physiologist	2	24,710	2	26,124	2	26,540
Section head	9	111,050	8	108,029	8	108,445
Statistician	1	12,230	1	13,270	1	13,707
GS-13. \$11,150 to \$14,070:	281	3,147,510	307	3,655,897	309	3,681,957
GS-12. \$9,475 to \$11,995:	626	5,898,951	640	6,440,741	651	6,539,772
GS-11. \$8,045 to \$10,165:	1,224	9,783,972	1,103	9,417,944	1,098	9,383,094
GS-9. \$6,675 to \$8,700:	1,964	13,792,121	1,871	13,853,700	1,871	13,860,570
GS-8. \$6,090 to \$7,935:	13	87,505	14	100,687	14	100,687
GS-7. \$5,540 to \$7,205:	1,090	6,196,794	1,021	6,073,681	1,022	6,082,975
GS-6. \$5,035 to \$6,565:	993	5,107,024	909	4,930,768	909	4,947,368
GS-5. \$4,565 to \$6,005:	1,090	5,074,086	1,016	5,013,701	1,060	5,218,365
GS-4. \$4,110 to \$5,370:	865	3,830,466	848	3,906,091	849	3,913,129
GS-3. \$3,820 to \$4,830:	560	2,257,102	508	2,088,394	508	2,089,434
GS-2. \$3,560 to \$4,505:	108	399,253	91	352,401	91	353,441
GS-1. \$3,245 to \$4,190:	14	48,794	10	37,028	10	37,028

AGRICULTURAL MARKETING SERVICE—Con.

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL MARKETING SERVICE—Con.

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges—Continued						
Rates established by act of June 20, 1958 (5 U.S.C. 1161(c)):						
Deputy administrator, marketing research.....	1	\$17,750	1	\$20,000	1	\$20,000
Division director.....	1	16,500	1	18,000	1	18,000
Ungraded positions at annual rates: \$12,845 or above:						
Chief, shipping point inspection.....	1	12,576	1	12,854	1	13,270
Less than \$12,845.....	734	3,493,701	644	3,169,274	644	3,176,000
Ungraded positions at hourly rates equivalent to less than \$12,845.....	154	718,341	103	498,290	103	501,000
Ungraded positions at volume rates.....	13	386	13	650	13	650
Total permanent.....	9,905	62,215,177	9,306	62,536,229	9,356	62,841,273
Deduct—						
Lapses.....	2,500.9	14,660,290	1,308.5	7,441,020	1,289.9	8,308,582
Net decrease due to lower pay scales for part of year.....				891,206		
Portion of salaries shown above paid—						
From other accounts.....	1.1	9,919	1.2	11,921	1.2	11,988
By States.....	10.0		26.7		26.7	
By cooperators.....		78,706		216,542		216,542
Add—						
Portion of salaries carried in other position schedules paid from this account.....		470		1,410,876		1,410,795
Net increase due to higher pay scales for part of year.....						2,651,990
Net permanent (average number, net salary):						
United States and possessions.....	7,387.4		7,969.0		8,037.6	
Foreign countries: U.S. rates.....		47,424,400		53,967,684		56,947,946
Positions other than permanent:						
Temporary employment.....		20,040		457,822		567,238
Part-time employment.....		175,959		150,505		150,505
Intermittent employment.....		1,532,756		1,839,468		1,867,986
Other personnel compensation:						
Regular pay above 52-week base.....						531,493
Overtime and holiday pay.....		2,596,912		2,538,954		2,564,282
Nightwork differential.....		80,172		91,185		91,185
Additional pay for service abroad.....		1,903				
Cost of living allowance.....		11,296		12,148		12,148
Compensation of witnesses.....		524				
Total personnel compensation.....		51,862,694		59,076,498		62,751,783
Salaries and wages are distributed as follows:						
"Marketing research and service:"						
Direct obligations.....		\$27,609,720		\$30,486,981		\$32,619,431
Reimbursable obligations.....		468,521		784,604		891,804
"Special milk program".....				557,000		582,000
"School lunch program".....		1,096,586		1,240,000		1,308,000
"Perishable Agricultural Commodities Act Fund".....		615,685		686,427		746,100
"Removal of surplus agricultural commodities".....		3,229,674		4,995,692		5,439,000
"Advances and reimbursements".....		2,396,839		2,636,912		2,647,383
"Commodity Credit Corporation administrative expenses, transfer to Agricultural Marketing Service for Special Milk Program".....		517,799				
"Trust funds".....		15,910,048		17,636,282		18,518,065
"Civil defense and defense mobilization functions of Federal agencies (transfer to Agriculture)".....		17,822		52,600		
Total personnel compensation.....		51,862,694		59,076,498		62,751,783

FOREIGN AGRICULTURAL SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE FOREIGN AGRICULTURAL SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-18, \$20,000:						
Administrator.....	1	\$18,512	1	\$20,010	1	\$20,010
GS-17, \$18,000 to \$20,000:						
Agricultural attaché.....	3	52,208	3	57,533	3	57,533
Associate administrator.....			1	18,013	1	18,013
Deputy administrator.....	1	17,056				
General sales manager.....	1	16,536	1	18,013	1	18,013

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges—Continued						
GS-16, \$16,000 to \$18,000:						
Agricultural attaché.....	7	\$108,242	7	\$115,606	7	\$115,606
Assistant administrator.....	3	48,131	4	67,059	4	67,059
Barter and stockpiling manager.....	1	15,517	1	16,515	1	16,515
Deputy administrator.....	1	16,037				
Deputy general sales manager.....	1	16,307	1	18,013	1	18,013
GS-15, \$14,565 to \$17,925:						
Agricultural attaché.....	15	215,283	10	149,159	10	149,159
Agricultural economist.....	2	27,498			2	29,162
Assistant administrator.....	1	15,829	1	17,930	1	17,930
Assistant agricultural attaché.....	4	58,219	4	64,063	4	64,063
Assistant to the administrator.....	3	43,452	3	47,092	3	47,092
Assistant to the deputy administrator.....	1	15,038				
Assistant to the general sales manager.....	4	59,717	5	80,558	5	80,558
Associate division director.....			1	14,581	1	14,581
Deputy assistant administrator.....	3	45,385	3	48,048	3	48,048
Deputy division director.....	1	14,061	1	15,538	1	15,538
Director of internal audit.....	1	14,061	1	15,059	1	15,059
Director of statistics.....	1	14,706	1	16,016	1	16,016
Division director.....	16	231,859	17	252,182	17	252,182
Foreign agricultural affairs officer.....	4	59,447	5	75,297	5	75,297
Project coordinator.....	1	15,038	1	16,494	1	16,494
GS-14, \$12,845 to \$16,245:						
Administrative officer.....	2	26,540	2	28,267	2	28,267
Agricultural attaché.....	21	272,040	23	316,030	26	354,592
Agricultural economist.....	2	26,000	2	25,708	2	25,708
Agricultural officer.....	5	65,020	5	66,808	5	66,808
Assistant agricultural attaché.....	7	90,520	7	98,903	8	111,757
Assistant to the assistant administrator.....	1	12,750	1	13,707	1	13,707
Barter program analyst.....	1	13,000	1	14,560	1	14,560
Barter specialist.....	3	37,980	3	41,537	3	41,537
Branch chief.....	23	294,669	27	358,147	27	358,147
Contract administrator.....	1	12,480	1	13,707	1	13,707
Deputy assistant administrator.....	1	13,270	1	14,976	1	14,976
Deputy division director.....	1	13,270				
Division director.....	1	12,750				
Foreign agricultural affairs officer.....	1	13,520	1	14,976	1	14,976
Information officer.....	2	25,750	2	28,267	2	28,267
Marketing specialist.....	9	117,080	9	117,808	9	117,808
Program coordinator.....	5	64,000	5	69,804	5	69,804
Program and financial activity auditor.....	1	12,750	1	13,707	1	13,707
Project coordinator.....	2	24,710	3	39,415	3	39,415
Reports officer.....	1	13,520	1	14,976	1	14,976
Staff assistant.....	6	77,770	9	125,880	9	125,880
Textile technologist.....	1	13,270	1	14,560	1	14,560
Trade promotion specialist.....	5	65,020	5	66,829	5	66,829
GS-13, \$11,150 to \$14,070:						
GS-12, \$9,475 to \$11,995:						
GS-11, \$8,045 to \$10,165:						
GS-9, \$6,675 to \$8,700:						
GS-8, \$6,090 to \$7,935:						
GS-7, \$5,540 to \$7,205:						
GS-6, \$5,035 to \$6,565:						
GS-5, \$4,565 to \$6,005:						
GS-4, \$4,110 to \$5,370:						
GS-3, \$3,820 to \$4,830:						
GS-2, \$3,560 to \$4,505:						
GS-1, \$3,245 to \$4,190:						
Ungraded positions at annual rates: \$12,845 or above:						
Program specialist.....	2	27,498	2	31,075	2	31,075
Less than \$12,845.....	145	417,607	154	444,524	169	489,524
Total permanent.....	831	6,214,141	879	6,731,006	935	7,087,966
Deduct—						
Lapses.....	78.7	514,476	36.1	263,306	41.2	304,166
Portion of salaries shown above paid from other accounts.....	.9	6,424	.3	3,800	.3	3,800
Net decrease due to lower pay scales for part of year.....				109,200		
Add—						
Portion of salaries carried in other position schedules paid from this account.....	1.2	11,750	2.5	17,500	2.5	17,500
Net increase due to higher pay scales for part of year.....						262,000
Net permanent (average number, net salary):						
United States and possessions.....	505.9		577.1		605.0	
Foreign countries:						
U.S. rates.....	113.3		119.3		127.3	
Local rates.....	133.4		148.7		163.7	
Positions other than permanent:						
Temporary employment:						
United States and possessions.....		32,918		34,100		35,800
Foreign countries:						
U.S. rates.....		2,480		2,600		2,700
Local rates.....		1,624		1,600		1,600
Part-time employment:						
United States and possessions.....		745		800		800
Foreign countries: Local rates.....		2,933		2,900		2,900
Intermittent employment: United States and possessions.....		18,207		19,000		20,100
Other personnel compensation:						
Regular pay above 52-week base.....						40,000
Overtime and holiday pay.....		8,127				
Additional pay for service abroad.....		33,554		55,400		64,600
Total personnel compensation.....		5,805,579		6,488,600		7,228,000

	1962 actual	1963 estimate	1964 estimate
Salaries and wages are distributed as follows:			
"Salaries and expenses".....	\$5,751,595	\$6,423,100	\$7,158,600
"Salaries and expenses (special foreign currency program)".....	6,818	40,000	40,000
"Advances and reimbursements".....	17,166	25,500	29,400

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-17. \$18,000 to \$20,000:						
Administrator.....	1	\$16,806	1	\$19,011	1	\$19,510
GS-16. \$16,000 to \$18,000:						
Deputy administrator.....	1	15,517	1	17,014	1	17,514
GS-15. \$14,565 to \$17,925:						
Assistant to the administrator.....	1	14,061	1	15,538	1	16,016
Division director.....	3	42,183	3	46,614	3	48,048
GS-14. \$12,845 to \$16,245:						
Assistant division director.....	1	12,230	1	13,270	1	13,707
Commodity exchange supervisor.....	2	24,710	2	26,124	2	26,977
Economist.....	1	12,750				
GS-13. \$11,150 to \$14,070:	10	112,696	10	119,289	9	108,825
GS-12. \$9,475 to \$11,995:	9	86,455	11	112,198	11	113,113
GS-11. \$8,045 to \$10,165:	3	23,213	5	40,790	4	33,280
GS-9. \$6,675 to \$8,700:	12	83,930	15	107,185	17	123,512
GS-8. \$6,090 to \$7,935:			1	6,718	1	6,718
GS-7. \$5,540 to \$7,205:	19	111,256	13	79,749	11	69,389
GS-6. \$5,035 to \$6,565:	12	67,581	13	77,191	13	77,712
GS-5. \$4,565 to \$6,005:	19	94,746	16	81,679	15	77,394
GS-4. \$4,110 to \$5,370:	17	77,834	20	95,511	21	100,753
GS-3. \$3,820 to \$4,830:	16	66,980	16	69,596	15	65,498
GS-2. \$3,560 to \$4,505:	3	11,169	1	4,410	2	7,988
Total permanent.....	130	874,127	130	931,887	128	925,954
Deduct—						
Lapses.....	5	25,632	4	2,119	3	4,388
Net decrease due to lower pay scales for part of year.....				14,768		
Add net increase due to higher pay scales for part of year.....						19,334
Net permanent (average number, net salary).....	125	\$48,495	126	\$915,000	125	\$940,900
Other personnel compensation:						
Regular pay above 52-week base.....						6,700
Overtime and holiday pay.....		898		900		600
Compensation of witnesses.....		52		100		100
Total personnel compensation.....		\$49,445		\$916,000		\$948,300

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

	1962 actual		1963 estimate		1964 estimate	
Grades and ranges:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Special positions at rates equal to or in excess of \$20,000:						
Administrator.....	1	\$20,010	1	\$20,010	1	\$20,010
GS-18, \$20,000:						
Associate administrator.....	1	18,512	1	20,010	1	20,010
GS-17, \$18,000 to \$20,000:						
Deputy administrator, commodity operations.....	1	16,536	1	18,512	1	18,512
Deputy administrator, conservation.....	1	16,536				
Deputy administrator, management.....	1	16,536	1	18,512	1	18,512
Deputy administrator, price and production.....	1	16,536				
Deputy administrator, State and county operations.....	1	16,536	1	18,512	1	18,512
Staff assistants.....			2	37,024	2	37,024
GS-16, \$16,000 to \$18,000:						
Assistant deputy administrator, commodity operations.....	1	16,037	1	17,014	1	17,014
Assistant deputy administrator, conservation.....	1	16,037				
Assistant deputy administrator, price and production.....	1	15,267				
Assistant deputy administrator, State and county operations.....	2	31,054	2	34,028	2	34,028
Assistant to administrator.....	1	16,037	1	17,014	1	17,014
Deputy director, policy staff.....			7	115,605	7	115,605
Director, commodity office.....	7	109,923	4	69,070	4	69,070
Director, policy staff.....			7	118,447	7	118,447
Division director.....	8	127,574	3	51,042	3	51,042
Executive assistant to administrator.....	1	16,307	1	17,014	1	17,014

	1962 actual		1963 estimate		1964 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges—Continued						
GS-15. \$14,565 to \$17,925:						
Agricultural economist.....	1	\$14,706				
Area director.....	4	56,285	6	\$96,096	6	\$96,096
Assistant deputy administrator, management.....	1	13,749	1	16,016	1	16,016
Assistant division director.....	2	27,810				
Assistant to administrator.....	4	56,285	3	48,048	3	48,048
Assistant to deputy administrator, commodity operations.....	1	14,395	2	32,032	2	32,032
Assistant to deputy administrator, conservation.....	1	13,749				
Assistant to deputy administrator, price and production.....	4	59,447				
Assistant to deputy administrator, State and county operations.....	4	58,821	3	48,048	3	48,048
Assistant to the division director.....	1	14,653	1	16,016	1	16,016
Deputy director, commodity office.....	14	200,133	8	128,128	8	128,128
Deputy division director.....	18	263,805	12	190,284	12	192,192
Director, data processing center.....	1	13,749	1	16,016	1	16,016
Director, disaster and defense services staff.....	1	15,038	1	16,016	1	16,016
Director, management field office.....			1	16,016	1	16,016
Director, operations analysis staff.....	1	15,038	1	16,016	1	16,016
Division director.....	15	222,721	12	191,364	12	192,996
Staff assistants.....			19	303,271	19	304,432
GS-14. \$12,845 to \$16,245:						
Administrative officer.....			1	13,707	1	13,707
Agricultural economist.....	7	90,748	7	95,949	7	96,365
Agricultural statistician.....			1	13,707	1	13,707
Assistant deputy division director.....	1	12,990				
Assistant to deputy administrator.....	6	79,600	6	82,242	6	83,074
Assistant to director, commodity office.....	6	75,440	5	68,535	5	68,956
Assistant to division director.....	8	105,580	9	123,363	9	123,779
Branch chief.....	58	745,925	62	849,833	62	853,864
Chief, data processing division.....	1	12,230				
Chief, technical management staff.....	3	36,690	1	13,707	1	13,707
Civilian requirement officer.....	1	12,480				
Commodity specialist.....	4	52,480	4	54,828	4	55,244
Compliance officer, investigation division.....	5	68,037	5	68,535	5	68,535
Coordinator, defense services staff.....	3	40,040				
Deputy area director.....	5	64,520	5	68,535	5	69,367
Deputy director, data processing center.....	1	12,230	2	27,414	2	27,414
Deputy division director.....	10	131,600	10	137,070	10	138,318
Director, cotton products and export operations office.....	1	13,000	1	13,707	1	13,707
Division chief, commodity office.....	25	313,692	29	391,219	29	396,896
Division chief, management field office.....	4	52,562	5	68,535	5	68,951
Industrial specialist.....	3	38,750	3	41,121	3	41,121
Labor specialist.....	1	12,480	1	13,707	1	13,707
Management analyst.....	4	48,920	3	40,684	3	41,121
Public information specialist.....	3	38,500	3	39,831	3	40,684
Regional liaison representative.....	5	64,230	9	122,489	9	123,363
Staff assistant.....	2	28,060	4	54,828	4	55,244
Staff specialist.....	11	140,420	10	137,070	10	139,150
State executive director.....	11	134,530	23	314,366	23	319,379
GS-13. \$11,150 to \$14,070.....	286		289		289	
	3,189,069		3,536,612		3,544,664	
GS-12. \$9,475 to \$11,995.....	457		457		506	
	4,367,326		4,760,213		5,246,143	
GS-11. \$8,045 to \$10,165.....	870		974		889	
	7,004,691		8,600,760		7,845,422	
GS-10. \$7,290 to \$9,495.....	6	43,700	7	56,203	7	56,452
GS-9. \$6,675 to \$8,700.....	820		947		891	
	5,613,484		6,961,769		6,540,168	
GS-8. \$6,090 to \$7,935.....	37	230,108	43	297,818	39	271,986
GS-7. \$5,540 to \$7,205.....	700		811		720	
	4,083,123		4,940,565		4,392,016	
GS-6. \$5,035 to \$6,565.....	188		184		184	
	1,029,812		1,051,816		1,057,460	
GS-5. \$4,565 to \$6,005.....	901		1,049		947	
	4,452,632		5,464,928		4,923,745	
GS-4. \$4,110 to \$5,370.....	1,325		1,403		1,352	
	5,961,178		6,555,667		6,326,988	
GS-3. \$3,820 to \$4,830.....	1,277		1,294		1,282	
	5,325,714		5,621,690		5,576,854	
GS-2. \$3,560 to \$4,505.....	220	841,386	175	714,550	175	717,670
GS-1. \$3,245 to \$4,190.....	4	13,290	3	11,046	3	11,046
Ungraded positions at hourly rates equivalent to less than \$12,845.....	71	351,722	72	360,671	72	360,671
Total permanent.....	7,453		8,021		7,669	
	46,462,791		53,494,471		51,460,527	
Deduct—						
Lapses.....	503,4		540,0		241,0	
	2,750,866		2,981,946		1,137,010	
Net decreases due to lower pay scales for part of year.....			995,850			
Add net increases due to higher pay scales for part of year.....					628,527	
Net permanent (average number, net salary): United States and possessions.....	6,949.6		7,481.0		7,428.0	
	43,711,925		49,516,675		50,952,004	
Positions other than permanent:						
Temporary employment: United States and possessions.....	1,342,217		2,629,500		2,243,400	
Part-time employment.....	42,665		148,000		127,600	
Intermittent employment.....	959,420		1,059,059		904,039	
Other personnel compensation:						
Regular pay above 52-week base.....					384,498	
Overtime and holiday pay.....	611,617		723,618		728,000	
Nightwork differential.....	13,182		10,873		12,000	
Additional pay for service abroad.....	80,234		84,013		88,000	
Total personnel compensation.....	46,761,260		54,171,738		55,100,804	

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO AGRICULTURAL STABILIZATION AND CON- SERVATION SERVICE—Continued

	1962 actual	1963 estimate	1964 estimate
Salaries and wages are distributed as follows:			
"Agricultural conservation program".....	\$533,748	\$468,901	-----
"Expenses" Agricultural Stabilization and Conservation Service.....	19,694,703	23,171,488	\$55,439,581
"Limitation on administrative expenses," Commodity Credit Corporation.....	24,952,419	29,356,666	-----
"School lunch program," Agricultural Marketing Service.....	154,721	178,910	-----
"Removal of surplus agricultural commodities," Agricultural Marketing Service.....	1,319,542	995,773	-----
"Emergency credit revolving fund," Farmers Home Administration.....	6,179	-----	-----
"Salaries and expenses," Office of Emergency Planning.....	12,968	-----	-----
"Civil defense and defense mobilization functions of Federal agencies," Office of Emergency Planning.....	86,980	-----	-----

FEDERAL CROP INSURANCE CORPORATION

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE FEDERAL CROP INSURANCE CORPORATION

	1962 actual	1963 estimate	1964 estimate
Grades and ranges:	Num- Total	Num- Total	Num- Total
Special positions at rates equal to or in excess of \$16,000:	ber salary	ber salary	ber salary
Manager.....	1 \$19,000	1 \$19,000	1 \$19,000
GS-16, \$16,000 to \$18,000:			
Assistant manager.....	1 15,267	1 16,016	1 16,515
GS-15, \$14,565 to \$17,925:			
Administrative officer.....	1 15,038	1 16,494	1 16,494
Area director.....	4 56,911	4 60,237	4 62,150
Assistant to the manager.....	1 14,061	-----	-----
Division director.....	4 56,911	6 91,312	7 107,297
GS-14, \$12,845 to \$16,245:			
Administrative officer.....	3 39,020	5 67,661	5 69,346
Area director.....	4 53,080	-----	-----
Assistant division director.....	1 12,750	1 13,707	1 13,707
Chief budget officer.....	-----	-----	1 12,854
Division director.....	4 51,000	1 12,854	-----
Branch chief.....	1 12,750	2 26,561	2 26,561
Branch manager.....	1 12,750	1 13,707	1 13,707
Supervising auditor.....	1 12,230	1 12,854	1 13,270
GS-13, \$11,150 to \$14,070:			
GS-12, \$9,475 to \$11,995:	34 360,783	38 441,734	40 474,994
GS-11, \$8,045 to \$10,165:	23 219,899	19 186,809	18 169,690
GS-9, \$6,675 to \$8,700:	77 616,719	92 773,143	99 843,386
GS-7, \$5,540 to \$7,205:	46 313,414	34 240,840	37 263,542
GS-6, \$5,035 to \$6,565:	67 380,784	83 484,344	82 489,161
GS-5, \$4,565 to \$6,005:	7 37,668	4 21,403	4 21,903
GS-4, \$4,110 to \$5,370:	71 347,260	87 424,575	87 434,988
GS-3, \$3,820 to \$4,830:	112 497,940	98 447,838	98 455,120
GS-2, \$3,560 to \$4,505:	96 396,285	93 381,310	102 424,705
GS-1, \$3,245 to \$4,190:	42 159,726	30 117,762	30 118,960
GS-1, \$3,245 to \$4,190:	3 11,169	2 7,260	2 6,740
Total permanent.....	601 3,664,504	604 3,877,421	624 4,076,290
Deduct—			
Lapses.....	108.8 603,693	24.6 106,004	15.5 78,662
Net decrease due to lower pay scales for part of year.....	-----	56,287	-----
Portion of salaries shown above paid from other accounts.....	769	.6 9,500	.6 9,500
Add net increase due to higher pay scales for part of year.....	-----	-----	62,072
Net permanent (average number, net salary).....	492.2 3,060,042	578.8 3,705,630	607.9 4,050,200
Positions other than permanent:			
Temporary employment.....	64,518	62,730	70,665
Part-time employment.....	48,036	58,712	62,376
Intermittent employment.....	1,394,547	1,639,560	1,746,559
Other personnel compensation:			
Regular pay above 52-week base.....	-----	-----	31,000
Overtime and holiday pay.....	3,152	14,368	-----
Total personnel compensation.....	4,570,295	5,481,000	5,960,800
Salaries and wages are distributed as follows:			
"Administrative and operating expenses".....	\$4,147,044	\$4,289,000	\$4,630,800
"Federal Crop Insurance Corporation fund".....	421,607	1,192,000	1,330,000
"Advances and reimbursements".....	1,644	-----	-----

RURAL ELECTRIFICATION ADMINISTRATION

SALARIES AND EXPENSES

	1962 actual	1963 estimate	1964 estimate
Grades and ranges:	Num- Total	Num- Total	Num- Total
Special positions at rates equal to or in excess of \$20,000:	ber salary	ber salary	ber salary
Administrator.....	1 \$20,010	1 \$20,010	1 \$20,010
GS-17, \$18,000 to \$20,000:			
Deputy administrator.....	1 16,536	1 18,512	1 19,011
GS-16, \$16,000 to \$18,000:			
Assistant administrator.....	3 45,801	3 49,046	3 50,543
GS-15, \$14,565 to \$17,925:			
Area director.....	6 84,407	10 151,550	10 155,855
Assistant to administrator.....	2 27,497	1 15,059	1 15,059
Controller.....	1 15,308	1 16,973	1 16,973
Deputy assistant administrator.....	2 27,810	2 30,597	2 31,075
Director of division.....	8 117,390	8 130,521	8 132,912
Legislative consultant.....	1 14,394	1 16,016	1 16,016
Program director.....	1 13,749	1 15,059	1 15,538
Program officer.....	-----	1 16,494	1 16,494
Special assistant to assistant administrator.....	1 15,038	-----	-----
GS-14, \$12,845 to \$16,245:			
Area director.....	4 49,440	-----	-----
Assistant director of division.....	2 25,750	2 28,683	2 28,683
Branch chief.....	52 650,400	56 760,785	56 781,925
Engineer, architectural.....	1 12,480	1 13,707	1 14,123
Engineer, electrical.....	-----	-----	3 38,562
Internal auditor.....	1 13,000	1 14,123	1 14,123
Labor relations adviser.....	1 12,230	1 13,270	1 13,707
Loan reviewer.....	1 12,230	1 13,270	1 13,270
Operations specialist.....	1 12,230	1 13,270	1 13,707
Program development and loans specialist.....	1 12,230	1 13,270	1 13,707
Rural area development specialist.....	3 36,940	4 53,101	4 53,954
Technical assistance specialist.....	1 13,000	1 14,123	1 14,560
GS-13, \$11,150 to \$14,070:	120 1,313,464	120 1,429,461	130 1,573,324
GS-12, \$9,475 to \$11,995:	260 2,564,440	269 2,847,707	273 2,929,141
GS-11, \$8,045 to \$10,165:	112 918,199	111 964,084	111 984,905
GS-9, \$6,675 to \$8,700:	61 422,007	62 453,050	65 482,312
GS-8, \$6,090 to \$7,935:	4 25,874	4 27,288	4 27,684
GS-7, \$5,540 to \$7,205:	85 511,620	82 521,462	82 527,668
GS-6, \$5,035 to \$6,565:	74 402,016	79 452,928	84 482,423
GS-5, \$4,565 to \$6,005:	90 443,129	98 500,718	98 507,318
GS-4, \$4,110 to \$5,370:	64 269,776	59 258,428	59 264,432
GS-3, \$3,820 to \$4,830:	47 183,812	38 157,588	38 159,469
GS-2, \$3,560 to \$4,505:	3 10,753	1 3,682	1 3,786
Ungraded positions at hourly rates equivalent to less than \$12,845.....	2 7,114	2 7,114	2 7,114
Total permanent.....	1,017 8,320,074	1,024 9,040,949	1,049 9,439,383
Deduct—			
Lapses.....	55.2 335,631	37.8 258,634	41.7 386,373
Portion of salaries shown above paid from other accounts.....	-----	1.5 18,855	1.5 19,690
Net decrease due to lower pay scales for part of year.....	-----	178,365	-----
Add net increase due to higher pay scales for part of year.....	-----	-----	217,355
Net permanent (average number, net salary).....	961.8 7,984,443	984.7 8,585,095	1,005.8 9,250,675
Positions other than permanent: Intermittent employment.....	38,800	40,120	42,600
Other personnel compensation:			
Regular pay above 52-week base.....	-----	-----	70,620
Overtime and holiday pay.....	4,501	3,690	3,920
Post differentials and cost-of-living allowances.....	3,449	4,220	4,480
Total personnel compensation.....	8,031,193	8,633,125	9,372,295
Salaries and wages are distributed as follows:			
"Salaries and expenses".....	\$7,881,070	\$8,350,510	\$9,064,965
"Advances and reimbursements".....	150,123	282,615	307,330

FARMERS HOME ADMINISTRATION

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE FARMERS HOME ADMINISTRATION

	1962 actual	1963 estimate	1964 estimate
Grades and ranges:	Num- Total	Num- Total	Num- Total
Special positions at rates equal to or in excess of \$18,000:	ber salary	ber salary	ber salary
Administrator.....	1 \$19,011	1 \$19,011	1 \$19,011
GS-17, \$18,000 to \$20,000:			
Deputy administrator.....	1 16,536	1 18,512	1 18,512
GS-16, \$16,000 to \$18,000:			
Assistant administrator.....	3 46,841	3 50,580	3 51,042
GS-15, \$14,565 to \$17,925:			
Assistant to the administrator.....	3 42,204	3 46,155	3 46,614
Deputy assistant administrator.....	1 13,749	1 15,059	1 15,059
Director of division.....	10 141,027	11 165,751	11 169,003
Director of information.....	1 14,061	1 15,538	1 15,538

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges—Continued						
GS-14, \$12,845 to \$16,245:						
Agricultural engineer.....	1	\$12,750	2	\$26,561	2	\$27,393
Assistant director of division.....	4	51,250	4	55,056	5	71,055
Assistant to the administrator.....	5	63,230	5	68,115	6	83,676
Information specialist.....	2	24,460	2	25,708	2	26,540
Loan officer.....	12	150,900	12	161,507	16	211,870
State director.....	40	497,190	40	527,560	40	535,760
State director at large.....	2	24,460	2	25,708	2	25,708
GS-13, \$11,150 to \$14,070.....	63	702,274	65	766,926	67	797,906
GS-12, \$9,475 to \$11,995.....	110		107		124	
	1,053,376		1,099,065		1,274,206	
GS-11, \$8,045 to \$10,165.....	380		397		424	
	3,207,269		3,552,579		3,800,085	
GS-9, \$6,675 to \$8,700.....	1,287		1,310		1,332	
	9,151,585		10,010,315		10,278,576	
GS-8, \$6,090 to \$7,935.....	3	20,655	3	21,966	3	21,966
GS-7, \$5,540 to \$7,205.....	797		820		929	
	4,802,639		5,067,149		5,714,515	
GS-6, \$5,035 to \$6,565.....	58	332,782	59	350,671	59	352,837
GS-5, \$4,565 to \$6,005.....	245		247		254	
	1,270,230		1,312,737		1,355,044	
GS-4, \$4,110 to \$5,370.....	1,586		1,673		1,722	
	7,255,587		8,003,887		8,267,891	
GS-3, \$3,820 to \$4,830.....	406		331		392	
	1,657,346		1,875,259		1,630,093	
GS-2, \$3,560 to \$4,505.....	35	129,900	12	44,794	12	45,833
Ungraded positions at hourly rates equivalent to less than \$12,845.....	5	26,499	5	27,559	5	27,559
Total permanent.....	5,061	30,727,811	5,117	32,853,728	5,417	34,883,292
Deduct—						
Lapses.....	303.7		158.7		206.8	
	1,734,268		915,872		1,332,327	
Decrease due to lower pay scales for part of year.....				495,621		
Portion of salaries shown above paid from other accounts.....	19.9		19.3		19.3	
	131,259		157,789		157,181	
Add—						
Net increase due to higher pay scales for part of year.....					710,184	
Portion of salaries carried in other position schedules paid from this account.....	19.5		19.0		19.0	
	128,552		155,689		155,081	
Net permanent (average number, net salary).....	4,756.9		4,958.0		5,209.9	
	28,990,836		31,440,135		34,259,049	
Positions other than permanent:						
Temporary employment.....		350,865		511,100		511,100
Part-time employment.....		97,968		65,000		65,000
Intermittent employment.....		505,422		722,000		827,560
Other personnel compensation:						
Regular pay above 52-week base.....					259,711	
Overtime and holiday pay.....		40,209		14,500		14,500
Cost-of-living allowances.....		74,406		66,315		67,030
Total personnel compensation.....		30,059,706		32,819,050		36,003,950
Salaries and wages are distributed as follows:						
"Salaries and expenses".....		\$27,609,215		\$28,852,000		\$31,687,000
"Emergency credit revolving fund".....		2,048,356		3,175,200		3,062,000
"State rural rehabilitation funds".....		96,477		98,000		98,000
"Advances and reimbursements".....		222,329		466,100		506,300
"Watershed protection," Soil Conservation Service.....		83,329		172,000		172,000
"Flood prevention," Soil Conservation Service.....				55,750		46,450
"Rural renewal".....						265,000
"Resource and conservation development projects," Soil Conservation Service.....						167,200

OFFICE OF RURAL AREAS DEVELOPMENT

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO OFFICE OF RURAL AREAS DEVELOPMENT

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
GS-17, \$18,000 to \$20,000:						
Director, rural areas development.....	1	\$16,536	1	\$18,512	1	\$18,512
GS-15, \$14,565 to \$17,925:						
Assistant director of rural areas development.....	2	28,767	2	32,988	2	32,988
Assistant director, administration.....			1	15,059	1	15,059
Assistant to director of rural areas development.....	1	14,061	2	32,988	2	32,988
Field representative.....	7	99,778	7	107,327	8	123,821
GS-14, \$12,845 to \$16,245:						
Project analyst.....			1	12,854	2	26,124

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges—Continued						
GS-13, \$11,150 to \$14,070.....			2	\$23,046	2	\$23,046
GS-9, \$6,675 to \$8,700.....	1	\$6,448	2	14,040	2	14,040
GS-7, \$5,540 to \$7,205.....	8	44,427	12	71,637	13	77,378
Total permanent.....	20	210,017	30	328,451	33	363,956
Deduct—						
Lapses.....	11.7	129,863	4	35,739	4	45,197
Net decrease due to lower pay scales for part of year.....				7,172		
Add net increase due to higher pay scales for part of year.....						13,880
Net permanent (average number, net salary).....	8.3	80,154	26.0	285,540	29.0	332,639
Other personnel compensation:						
Regular pay above 52-week base.....		1,615				2,801
Overtime and holiday pay.....						
Payments to other agencies for reimbursable details.....		88,091				
Total personnel compensation.....		169,860		285,540		335,440
Salaries and wages are distributed as follows:						
"Salaries and expenses".....				\$62,780		\$101,250
"Advances and reimbursements".....		\$169,860		222,760		234,190

OFFICE OF THE GENERAL COUNSEL

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM ACCOUNTS OF THE OFFICE OF THE GENERAL COUNSEL

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
Special positions at rates equal to or in excess of \$20,000:						
General counsel.....	1	\$20,010	1	\$20,010	1	\$20,010
Deputy general counsel.....			1	20,010	1	20,010
GS-17, \$18,000 to \$20,000:						
Deputy general counsel.....	1	17,576				
GS-16, \$16,000 to \$18,000:						
Assistant general counsel.....	3	48,401	3	53,540	3	53,540
GS-15, \$14,565 to \$17,925:						
Attorney.....	11	153,153	9	139,361	9	142,231
Director, legal division.....	7	102,337	7	112,111	7	114,982
Regional attorney.....	8	113,529	8	125,257	8	127,172
GS-14, \$12,845 to \$16,245:						
Attorney.....	44	551,669	52	706,083	52	723,996
Executive assistant to the general counsel.....	1	13,000	1	14,123	1	14,560
GS-13, \$11,150 to \$14,070.....	66	744,375	54	653,876	54	665,392
GS-12, \$9,475 to \$11,995.....	28	262,260	26	259,444	26	266,683
GS-11, \$8,045 to \$10,165.....	23	184,743	23	198,205	23	202,756
GS-9, \$6,675 to \$8,700.....	17	115,399	24	166,591	24	169,338
GS-7, \$5,540 to \$7,205.....	18	102,416	20	125,366	20	126,488
GS-6, \$5,035 to \$6,565.....	22	125,383	23	135,075	23	135,573
GS-5, \$4,565 to \$6,005.....	55	277,357	55	287,181	55	290,218
GS-4, \$4,110 to \$5,370.....	96	430,137	86	395,542	85	397,489
GS-3, \$3,820 to \$4,830.....	38	148,188	20	80,389	20	81,429
GS-2, \$3,560 to \$4,190.....	5	19,031	3	11,358	3	11,566
Total permanent.....	444	3,428,964	416	3,503,522	415	3,563,433
Deduct—						
Lapses.....	48	312,187	4	22,691	24	195,388
Net decrease due to lower pay scales for part of year.....				67,813		
Add net increase due to higher pay scales for part of year.....						81,737
Net permanent (average number, net salary).....	396	3,116,777	412	3,413,018	391	3,449,782
Positions other than permanent:						
Temporary employment.....		17,879		3,000		2,000
Part-time employment.....		13,725		12,000		12,000
Intermittent employment.....		1,000		1,200		1,200
Other personnel compensation:						
Regular pay above 52-week base.....						27,076
Additional pay for service abroad.....		2,836		3,000		3,000
Overtime and holiday pay.....		1,274		1,500		
Total personnel compensation.....		3,153,491		3,433,718		3,495,058
Salaries are distributed as follows:						
"Salaries and expenses".....		\$3,065,493		\$3,292,776		\$3,402,260
"Advances and reimbursements".....		4,178		1,000		
"Emergency credit revolving fund," Farmers Home Administration.....		14,176		26,500		26,500
"Expenses," Agricultural Stabilization and Conservation Service.....		69,644		113,442		66,298

OFFICE OF INFORMATION

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO OFFICE OF INFORMATION

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
GS-16. \$16,000 to \$18,000:						
Director of Information.....	1	\$16,307	1	\$18,013	1	\$18,013
GS-15. \$14,565 to \$17,925:						
Assistant director of information.....	3	45,053	3	49,962	3	49,962
GS-14. \$12,845 to \$16,245:						
Chief of division.....	8	103,250	9	125,006	9	127,149
Editor of yearbook.....	1	13,270	1	14,976	1	14,976
Executive assistant to the director.....	1	12,750	1	13,707	1	13,707
GS-13. \$11,150 to \$14,070.....	17	193,442	17	203,987	17	205,774
GS-12. \$9,475 to \$11,995.....	25	234,335	28	276,008	28	278,768
GS-11. \$8,045 to \$10,165.....	18	143,248	18	151,591	18	155,581
GS-9. \$6,675 to \$8,700.....	29	199,452	28	209,582	28	212,096
GS-8. \$6,090 to \$7,935.....	1	6,885	1	7,322	1	7,322
GS-7. \$5,540 to \$7,205.....	32	193,481	35	222,771	34	218,172
GS-6. \$5,035 to \$6,565.....	9	49,380	6	34,673	6	34,839
GS-5. \$4,565 to \$6,005.....	34	170,690	43	220,229	43	223,303
GS-4. \$4,110 to \$5,370.....	37	165,256	34	161,133	34	162,235
GS-3. \$3,820 to \$4,830.....	35	137,454	27	112,753	27	114,001
GS-2. \$3,560 to \$4,505.....	6	22,026	11	41,438	11	42,374
GS-1. \$3,245 to \$4,190.....	2	6,406	1	3,370	1	3,266
Ungraded positions at hourly rates equivalent to less than \$12,845.....	7	35,860	7	35,860	7	35,860
Total permanent.....	266	1,748,545	271	1,902,381	270	1,917,398
Deduct—						
Lapses.....	16.5	93,917	13.5	95,414	14.5	102,568
Net decrease due to lower pay scales for part of year.....				26,547		
Portion of salaries shown above paid from other accounts.....	0.5	3,798	0.5	5,966	0.5	5,760
Add net increase due to higher pay scales for part of year.....						17,150
Net permanent (average number, net salary).....	249	1,650,830	257	1,774,454	255	1,826,220
Positions other than permanent:						
Temporary employment.....		7,132		6,500		6,500
Intermittent employment.....		408		500		500
Other personnel compensation:						
Regular pay above 52-week base.....						14,000
Overtime and holiday pay.....		41,631		28,000		10,000
Payments to other agencies for reimbursable details.....		7,433				
Add excess of annual leave earned over leave taken.....		4,920				
Total personnel compensation.....		1,712,354		1,809,454		1,857,220
Salaries and wages distributed as follows:						
"Salaries and expenses".....		\$846,963		\$889,500		\$922,300
"Advances and reimbursements".....		74,641		28,464		22,430
"Great Plains conservation program".....		6,879		7,490		7,490
"Working capital fund, Department of Agriculture".....		783,871		884,000		905,000

NATIONAL AGRICULTURAL LIBRARY

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE NATIONAL AGRICULTURAL LIBRARY

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
GS-16. \$16,000 to \$18,000:						
Director.....	1	\$15,787	1	\$17,514	1	\$17,514
GS-14. \$12,845 to \$16,245:						
Assistant director.....	2	24,460	4	52,248	4	53,080
GS-13. \$11,150 to \$14,070.....	6	65,958	7	81,455	7	82,889
GS-12. \$9,475 to \$11,995.....	7	64,065	5	49,942	10	98,615
GS-11. \$8,045 to \$10,165.....	21	164,341	24	203,110	42	352,980
GS-9. \$6,675 to \$8,700.....	19	129,737	21	151,551	24	173,202
GS-8. \$6,090 to \$7,935.....			1	6,302	1	6,302
GS-7. \$5,540 to \$7,205.....	19	113,090	17	104,419	17	105,291
GS-6. \$5,035 to \$6,565.....	6	34,112	9	51,721	9	51,888
GS-5. \$4,565 to \$6,005.....	24	118,312	22	114,890	26	134,471
GS-4. \$4,110 to \$5,370.....	29	129,896	33	156,784	45	204,790
GS-3. \$3,820 to \$4,830.....	39	156,197	47	192,291	58	237,529
GS-2. \$3,560 to \$4,505.....	6	21,818	7	25,462	7	25,982
Total permanent.....	179	1,037,773	198	1,207,689	251	1,544,533
Deduct—						
Lapses.....	23.7	132,879	27.1	163,945	33.2	215,192
Portion of salaries shown above paid from other accounts.....	0.2	1,923				
Net decrease due to lower pay scales for part of year.....				16,288		

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Add—						
Portion of salaries carried in other position schedules paid from this account.....	0.2	\$1,295				
Net increase due to higher pay scales for part of year.....						\$27,590
Net permanent (average number, net salary).....	155.3	904,266	170.9	\$1,027,456	217.8	1,356,931
Positions other than permanent: Temporary employment.....		13,242		11,947		3,100
Other personnel compensation:						
Regular pay above 52-week base.....						10,853
Overtime and holiday pay.....		2,392		2,100		2,700
Payments to other agencies for reimbursable details.....		670		3,700		2,900
Deduct excess of annual leave taken over leave earned.....		1,314				
Total personnel compensation.....		919,256		1,045,203		1,376,484
Salaries and wages are distributed as follows:						
"Salaries and expenses".....		\$800,806		\$938,000		\$1,272,000
"Advances and reimbursements".....		85,982		67,411		72,113
"Working capital fund, Department of Agriculture".....		28,661		30,745		32,371
"Miscellaneous contributed funds".....		3,807		9,047		

GENERAL ADMINISTRATION

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO GENERAL ADMINISTRATION

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges:						
Special positions at rates equal to or in excess of \$20,000:						
Secretary of Agriculture.....	1	\$25,000	1	\$25,000	1	\$25,000
Under secretary of Agriculture.....	1	21,000	1	21,000	1	21,000
Assistant secretary of Agriculture.....	3	60,000	3	60,000	3	60,000
Administrative assistant secretary.....	1	19,011	1	19,011	1	19,011
GS-18. \$20,000:						
Confidential assistant to the secretary.....	1	18,512	1	20,010	1	20,010
Director, agricultural credit services.....	1	18,512	1	18,013	1	18,013
Director, agricultural economics.....	1	18,512	1	20,010	1	20,010
Executive assistant, chief of staff.....	1	18,512	1	20,010	1	20,010
Inspector general.....			1	20,010	1	20,010
GS-17. \$18,000 to \$20,000:						
Assistant to the secretary.....	2	33,072	2	37,024	2	37,024
Assistant to the under secretary.....	1	18,013	1	18,013	1	18,013
Deputy inspector general.....			1	18,013	1	18,013
Director of finance and budget officer.....	1	17,056	1	19,011	1	19,510
Director, management appraisal and systems development.....	1	16,536	1	18,013	1	18,512
Director of personnel.....	1	16,536	1	18,512	1	18,512
Judicial officer.....	1	17,326	1	19,510	1	19,510
GS-16. \$16,000 to \$18,000:						
Assistant director, management appraisal and systems development.....	1	15,267	1	16,016	1	16,515
Assistant to the assistant secretary.....	1	16,307	1	18,013	1	18,013
Assistant to the secretary.....	2	31,054	2	33,030	2	33,030
Director of plant and operations.....	1	15,787	1	17,514	1	17,514
GS-15. \$14,565 to \$17,925:						
Administrative assistant.....	5	69,702	4	60,237	5	75,296
Assistant director of personnel.....	2	28,788	2	31,554	2	31,554
Assistant director of plant and operations.....	3	41,871	3	44,699	3	46,135
Assistant to the assistant secretary.....					2	29,162
Assistant to the director of agricultural economics.....						14,581
Assistant to the director, budget and finance.....	1	14,394	1	16,016	1	16,016
Assistant to the judicial officer.....	1	13,749	1	15,059	1	15,059
Assistant to the Secretary.....					2	29,162
Chief of division, budget and finance.....	1	13,749	1	14,581	1	15,059
Chief, personnel research staff.....	1	13,749	1	14,581	1	15,059
Consumer aid.....			1	14,581	1	14,581
Deputy director, budget and finance.....	2	30,347	1	17,930	1	17,930
Hearing examiner.....	5	74,213	5	81,514	5	81,514
Inspector.....			3	45,177	3	45,177
Management analyst.....	1	13,749	2	29,162	2	29,640
Medical officer.....	1	15,038	1	16,494	1	16,494
Program staff officer.....	1	15,038	1	16,494	1	16,494
GS-14. \$12,845 to \$16,245:						
Administrative assistant.....	1	12,750	1	14,123	2	26,977
Administrative officer.....	1	13,270	1	14,976	1	14,976
Assistant to the director of personnel.....	2	27,040	3	40,268	3	40,268
Budget analyst.....	1	12,230	1	12,854	1	13,270
Chief of division, budget and finance.....	4	52,540	3	46,218	3	46,655
Chief of division, personnel.....	5	62,420	5	66,392	5	66,392
Chief of division, plant and operations.....	4	49,940	5	66,829	5	68,077
Director, management data service center.....	1	13,000	1	14,123	1	14,560
Inspector.....			4	53,101	4	53,101

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Grades and ranges—Continued						
GS-14. \$12,845 to \$16,245—Continued						
Management analyst.....	1	\$12,230	1	\$12,854	2	\$26,124
Program and budget examiner.....	3	38,480	4	53,101	4	53,975
GS-13. \$11,150 to \$14,070.....	25	277,038	40	464,118	44	511,291
GS-12. \$9,475 to \$11,995.....	31	303,228	29	291,436	30	303,750
GS-11. \$8,045 to \$10,165.....	25	201,115	30	254,595	30	256,465
GS-9. \$6,675 to \$8,700.....	35	236,996	54	383,872	54	385,454
GS-8. \$6,090 to \$7,935.....	4	27,206	5	35,382	5	35,382
GS-7. \$5,540 to \$7,205.....	50	299,432	74	450,547	79	479,970
GS-6. \$5,035 to \$6,565.....	17	89,460	17	97,343	17	97,509
GS-5. \$4,565 to \$6,005.....	49	248,442	110	542,673	110	544,126
GS-4. \$4,110 to \$5,370.....	33	141,632	130	556,024	130	557,580
GS-3. \$3,820 to \$4,830.....	27	112,432	50	202,647	50	202,959
GS-2. \$3,560 to \$4,505.....	18	69,302	20	78,008	20	78,320
GS-1. \$3,245 to \$4,190.....	6	23,898	5	20,282	5	20,282
Ungraded positions at hourly rates equivalent to less than \$12,845.....	108	544,164	108	554,899	108	559,372
Total permanent.....	496	3,590,632	751	5,182,464	769	5,404,965
Deduct—						
Lapses.....	47.3	362,769	138.0	550,568	29.0	201,073
Net decrease due to lower pay scales for part of year.....				75,942		
Add net increase due to higher pay scales for part of year.....					122,294	
Net permanent (average number, net salary).....	448.7	3,227,863	613.0	4,555,954	740.0	5,326,186
Positions other than permanent:						
Temporary employment.....	11,118		2,000			
Intermittent employment.....	1,795		5,000		5,000	
Other personnel compensation:						
Regular pay above 52-week base.....					41,158	
Overtime and holiday pay.....	35,685		52,082		44,500	
Nightwork differential.....	1,050		2,500		2,500	
Payment to other agencies for reimbursable details.....	2,151					
Excess of annual leave taken over leave earned.....	-3,476					
Total personnel compensation.....	3,276,186		4,617,536		5,419,344	
Salaries and wages are distributed as follows:						
"Salaries and expenses".....	\$2,393,595		\$2,983,280		\$3,359,819	
"Civil Defense and Defense Mobilization Functions of Federal Agencies".....	25,239		42,876			
"Advances and reimbursements".....	47,689		31,125		38,735	
"Working Capital Fund".....	809,663		1,560,255		2,020,790	

FOREST SERVICE

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID FROM FUNDS AVAILABLE TO THE FOREST SERVICE

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
FOREST SERVICE						
Grades and ranges:						
Special positions at rates equal to or in excess of \$18,000:						
Chief.....	1	\$19,000	1	\$19,000	1	\$19,000
GS-17. \$18,000 to \$20,000:						
Deputy chief.....	3	51,978	3	56,036	3	57,034
GS-16. \$16,000 to \$18,000:						
Deputy chief.....	3	48,131	3	52,042	3	52,541
Associate deputy chief.....	1	15,787	1	17,014	1	17,514
GS-15. \$14,565 to \$17,925:						
Associate deputy chief.....	4	55,953	4	60,236	4	61,672
Chemist.....	1	14,061	1	15,538	1	16,016
Deputy regional forester.....	2	27,498	4	59,280	4	61,193
Director, forest experiment station.....	9	132,100	9	146,060	9	146,060
Director, forest products laboratory.....	1	14,394				
Director, internal audit.....	1	14,061	1	15,538	1	16,016
Division director.....	27	388,219	27	431,953	27	437,689
Engineer.....	4	14,061	1	15,538	1	16,016
Forester.....	4	56,265	4	60,716	4	62,629
Mathematical statistician.....	1	13,749	1	15,059	1	15,538
Plant pathologist.....	1	13,749	1	15,059	1	15,538
Regional forester.....	10	146,975	10	156,164	10	159,681
Research forester.....	2	27,498	2	29,640	2	30,597
GS-14. \$12,845 to \$16,245:						
Accountant.....	3	37,980	3	42,378	3	42,378
Administrative officer.....	2	25,230	2	27,411	2	27,411
Air operations officer.....	1	12,230	1	13,707	1	14,123
Assistant regional forester.....	72		74		74	
Auditor.....		911,785		1,035,532		1,039,532
Budget officer.....	1	12,750	1	14,123	1	14,123
Chemist.....	3	37,980	3	41,941	3	41,941

	1962 actual		1963 estimate		1964 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
FOREST SERVICE—continued						
Grades and ranges—Continued						
GS-14. \$12,845 to \$16,245—Continued						
Civil engineer.....	5	\$64,770	4	\$56,076	4	\$56,076
Deputy regional forester.....	2	25,750	2	28,246	2	28,246
Director, forest experiment station.....	1	12,230	1	13,707	1	13,707
Director, tropical forestry.....	1	12,750	1	14,123	1	14,123
Digital computer systems administrator.....			1	12,854	1	13,270
Economist.....	2	25,500	2	26,974	2	26,974
Editor.....	1	12,480	1	13,707	1	14,123
Educationist.....	1	12,480	1	13,707	1	14,123
Electronics engineer.....	1	13,520	1	14,560	1	14,560
Employee development officer.....	1	12,480	1	12,854	1	13,270
Engineer.....	4	52,270	4	57,345	4	57,345
Entomologist.....	12	152,730	11	155,371	11	155,371
Forester.....	42	527,000	48	652,617	49	668,471
Forest products technologist.....	11	146,930	11	163,485	11	163,485
Forest supervisor.....	3	36,690	11	147,290	11	147,290
Landscape architect.....			1	12,854	1	13,270
Management analyst.....	4	49,690	6	80,500	6	80,500
Mathematical statistician.....	3	36,690	4	53,107	4	53,107
Mechanical engineer.....	2	25,230	2	27,830	2	27,830
Office services manager.....	1	12,480	1	13,707	1	14,123
Personnel officer.....	5	62,940	5	69,364	5	69,364
Physicist.....	2	24,460	2	26,549	2	26,549
Plant pathologist.....	12	150,860	10	139,144	10	139,144
Procurement officer.....	1	12,480	1	13,707	1	14,123
Property management officer.....	1	12,480	1	13,707	1	14,123
Public information specialist.....	3	37,730	5	67,221	5	67,221
Range conservationist.....	7	89,230	6	85,184	6	85,184
Regional engineer.....	10	132,080	10	147,252	10	147,252
Regional fiscal agent.....	6	74,900	6	83,092	6	83,092
Research forester.....	42	528,840	44	606,364	44	609,364
Sign program coordinator.....			1	13,707	1	14,123
Soil scientist.....	1	12,750	1	14,123	1	14,123
Technologist.....	1	12,750	1	14,123	1	14,123
GS-13. \$11,150 to \$14,070.....	615		667		680	
GS-12. \$9,475 to \$11,995.....	1,117	6,777,818	1,203	7,967,532	1,231	8,137,742
GS-11. \$8,045 to \$10,165.....	1,836	10,438,594	1,973	12,186,606	2,043	12,477,186
GS-10. \$7,290 to \$9,495.....	14,683,692		16,987,176		17,575,676	
GS-9. \$6,675 to \$8,700.....	11	83,970	11	91,808	11	91,808
GS-8. \$6,090 to \$7,935.....	2,119	14,320,264	2,294	16,446,332	2,429	17,357,727
GS-7. \$5,540 to \$7,205.....	37	235,112	42	282,780	42	282,780
GS-6. \$5,035 to \$6,565.....	2,761	15,754,271	3,031	18,136,204	3,184	18,995,968
GS-5. \$4,565 to \$6,005.....	528	2,759,404	547	2,953,743	547	2,953,743
GS-4. \$4,110 to \$5,370.....	2,548	12,135,022	2,802	13,898,416	2,903	14,367,205
GS-3. \$3,820 to \$4,830.....	2,417	9,996,322	2,554	10,924,779	2,586	11,061,555
GS-2. \$3,560 to \$4,505.....	1,757	7,014,032	1,837	7,561,254	1,878	7,723,161
GS-1. \$3,245 to \$4,190.....	268	974,912	223	849,493	223	849,493
Grades established by act of June 20, 1958 (72 Stat. 213) and act of Sept. 23, 1959 (73 Stat. 651):						
Director, forest products laboratory.....			1	16,000	1	16,000
Forest products technologist.....	1	16,000	1	16,000	1	16,000
Physical chemist.....	1	15,504	1	15,504	1	15,504
Research forester.....	1	16,000	1	16,000	1	16,000
Ungraded positions at annual rates less than \$12,845.....	1,077	5,222,706	1,046	5,029,315	1,061	5,101,435
Ungraded positions at hourly rates equivalent to less than \$12,845.....	792	3,930,053	798	3,990,182	836	4,180,182
Total permanent.....	18,243	108,909,138	19,410	122,633,233	20,037	126,531,000
Deduct—						
Lapses.....	1,898.5	9,231,796	1,840.0	9,288,233	1,960.0	9,895,000
Net decrease due to lower pay scales for part of year.....				1,756,000		
Add net increase due to higher pay scales for part of year.....					2,760,000	
Net permanent (average number, net salary).....	16,344.5	99,677,342	17,570.0	111,589,000	18,077.0	119,396,000
Positions other than permanent:						
Temporary employment.....	27,191,486		37,115,000		33,600,000	
Part-time employment.....	1,088,809		1,137,000		1,140,000	
Intermittent employment.....	10,665,331		10,790,000		10,800,000	
Other personnel compensation:						
Regular pay above 52-week base.....					918,000	
Overtime and holiday pay.....	8,374,366		2,862,500		2,530,000	
Nightwork differential.....	110,901		81,000		81,000	
Additional pay for service abroad.....	404,384		490,500		491,000	
Payments to casual workers.....	6,884,206		1,303,500		1,310,000	
Payments to prison inmates.....	18,210		18,000		18,000	
Payments to other agencies for reimbursable details.....	19,356		21,500		22,000	
Total personnel compensation, Forest Service.....	154,434,391		165,408,000		170,306,000	

FOREST SERVICE—Continued

CONSOLIDATED SCHEDULE OF PERSONNEL COMPENSATION PAID
FROM FUNDS AVAILABLE TO THE FOREST SERVICE—Continued

	1962 actual	1963 estimate	1964 estimate
FOREST SERVICE—continued			
Salaries and wages are distributed as follows:			
“Forest protection and utilization”	\$105,378,243	\$100,264,000	\$107,326,000
“Forest roads and trails”	22,446,884	24,987,000	28,566,000
“Acquisition of lands for national forests, special acts”			4,000
“Acquisition of lands for national forests, Superior National Forest”	17,888	36,000	
“Acquisition of lands for national forests, Cache National Forest”	345	4,000	
“Assistance to States for tree planting”	52,826	117,000	118,000
“Expenses, brush disposal”	4,119,706	5,257,000	5,924,000
“Other Forest Service permanent appropriations”	15,020	99,000	45,000
“Working capital fund,” Forest Service	6,961,910	7,225,000	8,025,000
“Advances and reimbursements”	1,889,554	3,022,000	3,146,000
“Forest Service trust funds”	11,416,151	12,870,000	14,403,000
Allotment from—			
“Flood prevention,” Soil Conservation Service	1,557,206	1,619,000	1,917,000
“Watershed protection,” Soil Conservation Service	420,448	500,000	602,000
“Expenses,” Agricultural Stabilization and Conservation Service	99,520	107,000	111,000
“Conservation reserve program,” Agricultural Stabilization and Conservation Service	26,191	16,000	
“Great Plains conservation program,” Soil Conservation Service	13,977	15,000	15,000
“Oregon and California grant lands,” Bureau of Land Management, Department of the Interior	18,522	18,000	18,000
“Public works acceleration”		9,252,000	
“Land conservation and utilization program,” Soil Conservation Service			81,000

	1962 actual		1963 estimate		1964 estimate	
ALLOCATION TO THE DEPARTMENT OF THE INTERIOR	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grades and ranges:						
GS-12. \$9,475 to \$11,995	1	\$7,571	1	\$9,485	1	\$9,797
GS-11. \$8,045 to \$10,165	1	8,050	1	8,320	1	8,320
GS-9. \$6,675 to \$8,700	3	20,010	3	21,154	4	28,518
GS-7. \$5,540 to \$7,205	1	5,866	1	6,282	1	6,469
GS-4. \$4,110 to \$5,370	1	4,160	1	4,410	1	4,118
GS-3. \$3,820 to \$4,830	1	3,760	1	3,931	1	3,931
Ungraded positions at hourly rates equivalent to less than \$12,845	8	40,720	11	60,754	16	88,172
Total permanent	15	82,087	19	114,066	25	149,325
Deduct—						
Lapses	1.0	5,396	0.4	2,000	0.4	2,000
Net decrease due to lower pay scales for part of year				1,500		
Add—						
Portion of salaries carried in other position schedules paid from this account	4.5	24,612	3.1	23,434	3.3	25,675
Net increase due to higher pay scales for part of year						5,000
Net permanent (average number, net salary)	18.5	101,303	21.7	134,000	27.9	178,000
Positions other than permanent:						
Temporary employment		239,382		254,500		312,500
Part-time employment		8,078		10,000		10,000
Intermittent employment		32,347		38,500		39,500
Other personnel compensation:						
Regular pay above 52-week base						1,000
Overtime and holiday pay		24,066		24,000		24,000
Total personnel compensation, Department of the Interior		405,176		461,000		565,000

